

Viewpoint

Interesting Times

March 2026

All data, projections and opinions are as of March 3, 2026 and subject to change.

IN BRIEF

- We view periods of weakness in Equity markets, particularly those driven by a lot of headline noise, as potential opportunities to buy or rebalance. Our constructive stance remains supported by an improving economic growth outlook, transparency on the path of interest rates, reflationary tailwinds from a slightly weaker dollar, expectations for double-digit profit growth and an uptick in deal activity. We do not expect the outlook to be materially affected by the recent escalation of geopolitical risks.
- Diversification across and within Equities is already proving to be valuable this year as U.S. Equities are broadening out beyond mega-cap leaders. Investors should consider diversifying portfolios concentrated in U.S. Large-caps by adding exposure to Small-caps and Emerging Markets and rotating toward new sector leadership. This month we upgraded Materials to neutral from slightly underweight and downgraded Communication Services to slightly underweight from neutral.
- We remain constructive on Fixed Income overall but are underweight to fund our Equity overweight. Our outlook regarding tariffs remains the same after the Supreme Court ruling—tariffs will broadly remain in place in some form, albeit at a potentially lower level initially. In our view, this is likely to have a more marginal impact to U.S. economic activity than the positive supply-side initiatives included in the One Big Beautiful Bill Act. We continue to expect range-bound yields given sticky inflation and real gross domestic product remaining near or above 2%.

We believe 2026 is setting up as an economic and market backdrop that contains many interesting aspects and all in the face of a sharp rise in geopolitical risk across the Middle East.

As we highlighted in our Viewpoint Year Ahead 2026: “*The Bull Powers On*”, we expected a growth environment around the world that was likely to surprise in 2026 with a rotation across and within equity markets following that lead. So far, to start the year a number of worries have pressured various areas across the capital markets. We maintain our “proud bull” thesis for 2026 despite the list of concerns, as we believe the broader backdrop is on solid footing.

2026 EXPECTED DEVELOPMENTS

- Economic growth in the U.S. and around the world is re-gathering momentum. The growth backdrop should not be materially affected by the escalating conflicts in the Middle East.
- The U.S. consumer remains resilient, in aggregate, despite some areas that have become more selective.

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CIO ASSET CLASS VIEWS

This month the Global Wealth & Investment Management Investment Strategy Committee (GWIM ISC) adjusted the U.S. Equity sector tactical views by upgrading Materials to neutral from slight underweight and downgrading Communication Services from neutral to slight underweight. We maintain an overweight to Equities with a preference for U.S. Equities relative to the rest of the world and still favor a significant allocation to bonds in a well-diversified portfolio. We would leverage market weaknesses and excessive strength to rebalance tactical exposures in the coming months.

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Asset Class	CIO View		
	Underweight	Neutral	Overweight
Equities	●	●	●
U.S. Large-cap	●	●	●
U.S. Mid-cap	●	●	●
U.S. Small-cap	●	●	●
International Developed	●	●	●
Emerging Markets	●	●	●
Fixed Income	●	●	●
U.S. Investment grade Taxable	●	●	●
International	●	●	●
Global High Yield Taxable	●	●	●
Alternative Investments*			
Hedge Strategies			
Private Equity			
Private Credit			
Private Real Estate			
Tangible Assets			
Cash			

*Many products that pursue Alternative Investment strategies, specifically Private Equity, Private Credit and Hedge Funds, are available only to qualified investors. CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio.

- Capital investment is powering ahead and doesn't appear to be slowing down anytime soon.
- Fiscal spending overseas is now creating a transparent tailwind to growth.
- Lower short-term rates in the U.S. are on track, while longer-term rates are sticky.
- Natural resource demand, namely metals, and advanced power generation are growing well above-trend.
- The U.S. dollar remains in a slightly weak path despite its short-term strength.
- Geopolitical risk remains highly elevated and unclear.
- Artificial intelligence (AI) disruption concerns are reverberating into new areas.
- Credit concerns are rising as refinancing timetables roll in. Stronger growth and transparent outlook on rates should help alleviate the worries over time.
- Higher than normal volatility presents itself in mid-term election years.

WHAT DO WE EXPECT TO UNFOLD IN 2026 ACROSS THE MARKETS, GIVEN THE VIEW ABOVE?

- Equity market rebalancing to continue. The equal-weighted S&P 500 index, year-to-date (YTD), is outperforming the market capitalization-weighted main index by more than 6% (as of 3/2/26). Value is generally outperforming Growth, Small- and Mid-capitalization shares are also handily outperforming Large capitalization shares.
- The valuation of mega capitalization technology shares has dropped considerably, and portfolio flows are filtering into other, more asset-heavy areas. Asset-light areas such as software are subsidizing the lift in power generation, utility infrastructure, component manufacturers, energy, metals and materials, to name a few.
- Geographic rebalancing marches on. Non-U.S. markets, including the Emerging Markets (EM), continue to outperform the U.S. in the medium term. EMs may exhale given oil price concerns and risk-off sentiment, but their fundamentals, collectively, are strong and should pierce through the short-term disruption.
- The recent up move in Consumer Staples is likely to fade as more cyclical shares regain their footing due to better global growth in the coming months.
- Higher nominal growth leads to better top-line revenue growth. This better growth outlook, mixed with a productivity upcycle and cost management, can lead to positive surprises on corporate profit margins.
- To diversify portfolios concentrated in Large-cap U.S., consider adding exposure to Small-caps and EMs. Maintain an overall overweight to Equities but diversify overseas. Look for new sector leadership: Financials, Industrials, Utilities (Healthcare continues to gather momentum). Consider trimming down exposure to Information Technology (IT) and Communication Services if exposure is heavy.
- In terms of precious metals, gold continues to be supported by a fiscal expansion, elevated geopolitical risk, and reserve diversification while silver remains supported by rising long-term industrial usage and advanced automation applications.
- For thematic investment exposure as additions to diversified portfolios, we expect biotechnology, life sciences, and robotics in general to be a major beneficiary of AI applications and industrial infrastructure, modernizing the grid system. We also expect power generation, aerospace and defense to be the largest receivers of investment capital in the years ahead.

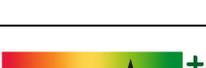
Bottom Line: We view weak episodes in the equity markets, primarily driven by high headline risk, as a potential buying and/or rebalancing opportunity, given the better economic growth outlook, transparency on rates, eventual reflationary tailwinds from double-digit profit growth percentage expectations, and rising deal activity.

Stay the course. Interesting times, indeed. But we should climb the wall of worry, once again, as economic and profit growth powers ahead.

CIO INVESTMENT DASHBOARD AS OF MARCH 3, 2026

While headwinds like AI uncertainty and elevated geopolitical tensions have led markets to experience some churn this year, underlying fundamentals remain solid. We still see the potential for a new phase of economic and market growth, powered by accelerating productivity, infrastructure investment, energy transformation, and global shifts in defense and technology. Long-term investors should remain fully invested and consider episodic weakness as a potential buying opportunity.

Current readings on the key drivers of Equities for investors to consider, with arrows representing the recent trend:

Earnings		For the S&P 500 Index, we forecast double-digit earnings growth for 2026. A consistently strong earnings backdrop comprises a key pillar of our U.S. Equity overweight. Globally, earnings trends remain positive overall. Regionally, a notable improvement in EMs was a factor behind our upgrade to this segment in January.
Valuations		On an absolute basis, U.S. equity markets are somewhat overvalued. Yet relative discounts can be found in areas like Small-cap and Value. Moreover, discounts also exist overseas, including for EMs, underscoring the importance of incorporating these areas to diversify portfolios.
U.S. Macro		U.S. economic data has consistently topped analysts' expectations, which should bolster corporate earnings growth. In 2026, we anticipate above-average growth driven by strong consumer spending, fiscal policy, and business investment.
Global Growth		In 2026, we anticipate growth of 3.5% for global real gross domestic product (GDP). Regionally, the euro area should grow by 1.2%. While stimulus efforts in China appear challenged in contending with weakness in investment and the property market, BofA Global Research forecasts growth of 4.7%, reflecting relative strength increasingly underpinned by innovative segments. Improving fundamentals in EMs may raise the appeal of this segment as a portfolio diversifier. Overall, we remain watchful over geopolitical crosscurrents affecting energy markets.
U.S. Monetary Policy / Inflation		The Federal Reserve's (Fed) interest rate policy stands at 3.50% to 3.75%. Markets anticipate no change to this rate at the March 18 Federal Open Market Committee (FOMC) meeting. An economic "boom" environment could keep inflation sticky. BofA Global Research expects no additional cuts under Chair Powell but sees the potential for two cuts under new leadership later this year. Easier monetary policy in 2026 should be supportive of diversified Equity portfolios.
Fiscal Policy		Fiscal stimulus, dubbed the One Big Beautiful Bill Act (OBBBA), includes new tax breaks, among other elements. This added stimulus throughout the year should support U.S. GDP growth through stronger consumption, investment and productivity, helping support margins and earnings and ultimately providing tailwinds for Equities.
Corporate Credit		Overall, credit spreads for Investment-Grade (IG) and High Yield (HY) corporate bonds reflect lessened concern over an economic slowdown. We believe that neutral positioning across these segments in all-Fixed Income portfolios is appropriate.
Yield Curve		Beyond two years, the Treasury yield curve remains positively sloped. Conversely, a shorter-dated inversion reflects anticipation for more interest rate cuts, a condition supporting our view for easing monetary policy. Rates are fairly priced, providing good diversification benefits for multi-asset class portfolios and reasonable income overall.
Technical Indicators		The S&P 500 has remained above its rising 200-day moving average since May 2025, indicative of strong upward momentum. Measures of breadth have generally improved. Moreover, record highs in Small-caps earlier this year and better performance abroad suggest an overall broadening participation in the Equity rally.
Investor Sentiment		Overall, investor sentiment indicators have been mixed. Retail investors, tracked by the American Association of Individual Investors (AAII), became more bearish in February with bears outnumbering bulls as of February 25. Meanwhile, BofA Global Research has noted that the average cash level managed by institutional investors has declined to a historically low level, while its proprietary Bull/Bear Ratio also signals "sell," as of February 26.

Source: Chief Investment Office. Gradient slides go from positive green, yellow neutral and negative red factors to ISC views.

EQUITIES

We are overweight Equities. While we continue to see crosscurrents in the global economic landscape, the overall backdrop for Equities remains strong. AI and data infrastructure investment is accelerating, corporate earnings growth is expected to continue, and investors are gradually rotating back into Equities with elevated levels of cash still on the sidelines. We maintain an Equity overweight relative to our strategic targets.

We are overweight U.S. Equities. The U.S. remains our preferred Equity region. Despite recent policy uncertainty, the U.S. is still among the strongest and most innovative economies in the world. U.S. index level valuations are elevated relative to historical averages, but earnings currently remain supportive with growth broadening across sectors.

We ultimately expect full-year earnings growth to be in double-digits for the S&P 500 Index in 2026.

Diversification across and within Equities is already proving to be valuable this year. While we have recently observed signs that market leadership may be rotating away from the mega-cap heavyweights of the last several years, Large-caps still generally exhibit strong fundamentals, solid earnings growth, and the ability to generate substantial free cash flow (FCF). Meanwhile, Small-caps have maintained the momentum that picked up in late 2025 and may continue to benefit from a lower interest rate environment and a more constructive earnings outlook. In addition, deregulation may spur increased capital markets activity and more mergers and acquisitions (M&A) in 2026. We emphasize the importance of incorporating both Large-caps and Small-caps into strategic portfolios.

Recent volatility surrounding concerns over AI-model competition and AI-related disruptions has weighed on Growth-oriented Equities, underscoring the importance of avoiding overexposure to any one area of the market. We nonetheless still view the AI investment and deployment themes as fundamentally intact and believe secular tailwinds related to innovation will continue to support Growth over the long term. The recent market rotation into cyclicals is supported by attractive valuations, better earnings growth and improving macro conditions, all of which could help sustain strength in Value moving forward. We maintain a barbell approach between Large-cap Value and Growth in portfolios as market dynamics evolve.

From a sector perspective, it's important to have Equity exposure across cyclical, interest rate-sensitive and Growth sectors. Despite recent regulatory uncertainty, we maintain overweight exposure to Financials supported by a positive net interest income outlook, a steeper yield curve, and the outlook for strong spread revenue. Our positive outlook for Utilities is based on accelerating electric power demand, driven by growth in AI and increasing electrification of the economy. We remain constructive on the Consumer Discretionary sector as inflation is well off the peak of recent years, consumer-related stimulus is underway, and consumer income growth is generally solid. We are overweight Industrials as capital expenditures (capex) budgets continue to grow, 100% bonus depreciation has been enacted again, and AI-oriented infrastructure plans are accelerating.

While we are constructive on IT and Communication Services as longer-term thematic trends, we are reducing some exposure to Communication Services on cash flow and FCF concerns and maintain our neutral view on IT in the near term on recent volatility and rotations. We also maintain neutral exposure to Healthcare amid recent policy clarity and proposed expedited timelines for new product development. We have underweight exposure to the Real Estate (RE) sector, which consensus estimates suggest will post among the most subdued earnings growth of any sector in the S&P 500 in 2026. We also remain cautious on Consumer Staples due to lower growth rates and as the consumer has remained resilient overall despite some pressure from high prices. We are increasing exposure to Materials as metals, mining and commodities are seeing improvement. Finally, despite near-term geopolitical tensions and uncertainty on the duration of disruptions, we are underweight Energy on an oversupplied fundamental oil outlook.

We are slightly overweight Emerging Market Equities. EM relative valuations still appear attractive and energy supply risks across large Asian net importers are partially offset by China stockpiles and index exposure to natural resource-producing markets. The Asia-Pacific market now constitutes close to 80% of total EM market capitalization, and we view the region as a major beneficiary of expected growth in IT-related capital spending and the expanding adoption of AI. Asian markets, in particular, appear well-positioned to benefit from appreciation of undervalued exchange rates. China's economy may nonetheless remain constrained by structural headwinds for the RE sector and weak household balance sheets. Smaller markets in Central and Eastern Europe should benefit from increased European Union (EU) fiscal outlays, including higher EU defense and infrastructure spending. The structural rise in EM consumer spending remains a big reason why we believe investors should consider maintaining a strategic allocation to EM Equities as appropriate. The emerging world now constitutes around 40% of global personal consumption expenditure (PCE), according to the United Nations, and ongoing convergence with developed economies should support GDP growth and corporate

EQUITY WATCH LIST

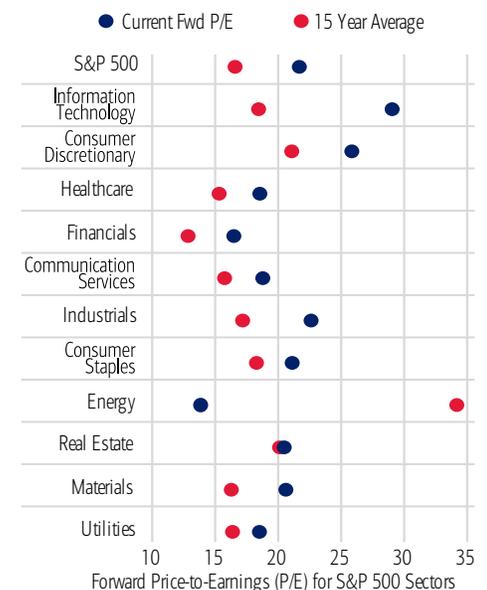
- The outlook for AI investment and competition
- Evolving geopolitical dynamics and global currency fluctuations
- Fresh tariff uncertainty amid the recent Supreme Court decision on legality of tariffs under the IEEPA*
- Monetary policy outlook and shifting Federal Reserve leadership
- Progression of global earnings estimates
- Evolving dynamics within Private Credit

RISK CONSIDERATIONS

- Protracted conflict in the Middle East
- Escalation in AI concerns due to an earnings miss, supply shock, or tighter credit conditions
- Potential for a pullback in high-income consumer spending
- Potential for slower-than-expected labor market stabilization
- Global fiscal concerns, as well as sticky inflation and its potential impact on the Fed's easing cycle
- Geopolitical uncertainty and heightened global protectionism measures

*International Emergency Economic Powers Act

Sector Valuations



Source: Bloomberg as of February 27, 2026. Please refer to index definitions at the end of this report. It is not possible to invest directly in an index.

earnings over the longer-term. We favor active management¹ when investing in EM, as fundamentals differ across countries based on fiscal capacity, external funding needs, corporate governance and other factors.

We are slightly underweight International Developed Equities, reflecting a weaker outlook for the UK and a positive outlook for Japan. European markets should benefit from higher fiscal outlays in defense and infrastructure but remain among the least exposed globally to IT-related market segments and are therefore likely to experience limited gains on a relative basis from AI infrastructure spending. Manufacturing-led EU economies also remain at risk from growing competition from China in key industries. In the UK, higher business taxes represent a headwind for the corporate sector. Sustained positive inflation and corporate reforms remain fundamental tailwinds for Japan, with large fiscal expansion as an additional support despite the risk of higher interest rates. As aggregate net energy importers, International Developed markets should also be more sensitive to the direction of energy prices. While we are less constructive on International Developed Equities, we believe long-term investors should maintain some strategic exposure, as appropriate, given that they trade at a discount relative to U.S. Equities, contain more of a balance between Value and Growth sectors, can offer attractive dividend yields and provide diversification for mega-cap Technology stocks.

FIXED INCOME

We are slightly underweight Fixed Income within multi-asset class portfolios. We are constructive on Fixed Income overall but are underweight to fund our Equity overweight. We are neutral across Fixed Income sectors in all-Fixed Income low-tax-sensitivity portfolios given our constructive economic view balanced against tight spreads relative to history.

While the FOMC is divided on the correct near-term path for the fed funds rate, overall, we believe the Fed is focused on the cooling (yet stabilizing) labor market rather than quickly reducing inflation to 2%. Our outlook regarding tariffs remains the same after the Supreme Court ruling—tariffs will broadly remain in place in some form, albeit at a potentially lower level initially. This is likely to have a more marginal impact to U.S. economic activity than the positive supply-side initiatives included in the OBBBA. We continue to expect range-bound yields, given sticky inflation and real GDP remaining near or above 2%. However, we recognize potentially high volatility in either direction, especially given the expected change in Fed leadership later this year, persistently high inflation and a tepid labor market.

We maintain a neutral duration stance against expectations for slightly lower short-term rates but with high volatility and a dispersion of potential outcomes given the lack of clarity from the FOMC. Current nominal and real yields provide reasonable compensation for inflation and market risk; the U.S. is one of the cheapest developed-market sovereign bond markets relative to inflation across the globe. Longer-term Fixed Income provides meaningful returns relative to cash over longer time periods and therefore diversifies equity risk with more stable income. We believe investors should move investment cash to their strategic duration target.

In multi-asset class portfolios, we are slightly underweight Investment-grade Taxable, which includes U.S. Governments, in favor of Equities. Real yields—that is to say, yields after expected inflation—are around 1.00% to 2.40% across the curve, the higher end of the range since 2008. Yields substantially higher than inflation are positive for savers.

In multi-asset class portfolios, we are slightly underweight both Investment-grade Taxable, which includes U.S. Corporates, and Global High Yield, in favor of Equities. Our view is driven by valuations that remain relatively expensive—partially offset by still-compelling all-in yields that continue to support demand for high-quality Fixed Income.

FIXED INCOME WATCH LIST

- Path of government spending and uncertainty about fiscal policies including tariffs
- U.S. short-term funding markets, with the interplay of quantitative tightening and drawdown of Treasury General Account
- Trend and level of U.S. nominal and real rates and inflation
- Fed and global central bank activity
- Global economic growth, especially with trade and tariff concerns
- Credit spreads

RISK CONSIDERATIONS

- Resilient or accelerating inflation
- Change in Fed policy stance
- Slowing economic growth or confidence based on uncertainty

¹ Active management seeks to outperform benchmarks through active investment decisions such as asset allocation and investment selection.

Credit spreads, however, sit at the rich end of the spectrum, despite backing up roughly 10 basis points (bps) over the last month. With IG spreads around 85 bps and HY near 290 bps, spreads are now modestly wider YTD. Nevertheless, valuations continue to remain rich on a historical basis and the potential for meaningful compression still appears limited. This is the primary reason for our slightly cautious posture within multi-asset portfolios—there’s simply not much upside left as spreads continue to trade near multi-decade tights.

Importantly, we are not calling for a dislocation. Near-record new issue supply to start the year has been met with very robust demand, and near-term conditions still favor credit despite the re-emergence of risks related to tariffs, AI disruption, and idiosyncratic credit concerns. Economic data has been strong, and corporate fundamentals remain solid—supported by healthy revenue and earnings growth, resilient margins and stable gross leverage despite increasing capital expenditures (capex). Technicals remain one of the strongest arguments for staying long credit. All-in yields are still attractive enough to draw in buyers, even in light of the recent rally in longer-dated Treasuries. One technical risk we are monitoring is a potential uptick in gross issuance this year, fueled by M&A activity and AI/data center capex. For now, this appears manageable.

In multi-asset class portfolios, we are slightly underweight Investment-grade Taxable, which includes U.S. Mortgage-backed Securities (MBS), in favor of Equities. After seeing a multi-year low driven by the government-sponsored enterprises’ plan to purchase MBS, the spread drifted wider to 20 bps. Spreads are now in line with, and in some cases slightly richer than, other high-quality Fixed Income sectors, particularly IG Corporates. While risks from duration extension and interest-rate volatility have eased, valuations are less compelling, with option-adjusted spreads in the 15 to 20 bps range—significantly below their 10-year average. We remain attentive to potential government-sponsored enterprise MBS purchases, privatization efforts and banking deregulation, all of which could have implications for the MBS sector.

ALTERNATIVE INVESTMENTS

CIO’s Key Alternative Investment Principles

With their diverse strategies and historical success, Alternative Investments (Alts) can enhance portfolio resilience and long-term performance for qualified investors. However, unlike traditional assets, allocating to Alts is a long-term process constrained by liquidity. They should be viewed primarily as strategic holdings, with tactical opportunities playing only a secondary, incremental role for new investment.

- **Think long-term:** Illiquidity demands a multi-year horizon.
- **Invest consistently—even in downturns:** Pulling back during volatility can erode benefits and lead to underallocation.
- **Diversify:** Spread across strategies, managers and vintages.
- **Choose high-conviction managers:** Performance varies widely; manager selection matters.

Hedge Strategies²: Hedge Strategies (HS) delivered a strong start to the year, rising 2.4% in January following 2025’s robust 12.4% gain. Equity Hedge (EH) strategies advanced 2.5% for the month, outpacing most major U.S. equity indices. Fundamental EH managers continued to generate solid alpha, extending last year’s exceptional long- and short-book contributions, though many tactically reduced risks late in the month as the sharp selloff in Technology/Software unfolded. Quantitative EH strategies also posted meaningful gains, maintaining their positive alpha trajectory. Macro strategies built further momentum, returning 4.2% in January as both discretionary and systematic trend-following managers capitalized on cross-asset volatility driven by geopolitical shifts and ongoing economic realignment. The strength across HS in 2025 and into early 2026 reflects a broader post-pandemic transition: Higher rates and greater dispersion have expanded the opportunity set, while rising stock-bond correlations have enhanced the

HEDGE STRATEGIES

Equity Hedge will likely benefit from decent equity dispersion, driving alpha* generation. Micro-dominated markets should be better for stock selection. Hedged approach is appealing given high equity valuations.

Macro is appealing for low correlations to Equities/Fixed Income in uncertain policy environment.

+ Equity Hedge

Event Driven

Relative Value

+ Macro

*Alpha is a measure of an investment’s performance that indicates its ability to generate returns in excess of its benchmark.

+ symbol indicates the strategies CIO views as having the most favorable opportunity set for new investment within the Alts asset classes.

² HFR, Inc., BofA Securities, Morgan Stanley Prime Brokerage, Goldman Sachs Prime Services.

diversification value of HS within multi-asset portfolios, reducing their beta³ to traditional 60/40 exposures.

Private Equity⁴: Buyout (BO) and Venture Capital/Growth Equity (VC/GE) strategies continued to post steady gains. BO funds rose 1.8% in Q3, bringing one-year internal rate of return (IRR) to 8.3%, while early earnings reports from listed alternatives managers point to an additional around 3% gross gain in Q4. VC/GE strategies advanced 4.3% in Q3, lifting one-year IRRs to 12.8% as performance continued to recover from the multi-year correction that began in 2022. The performance gap of recent years—BO resilience versus VC/GE repricing—appears to be narrowing as fundamentals improve and AI-related themes regain momentum.

Dealmaking accelerated sharply into year-end. U.S. Private Equity (PE) investment reached \$1.2 trillion in 2025, up 36% from 2024 and the second-largest annual total on record behind 2021. Exit activity also strengthened, rising 90% to \$728 billion on better valuations, firmer liquidity, and reduced trade-related uncertainty. Venture deal activity followed suit: U.S. VC investment climbed to \$339 billion (+59%), while exits increased 93% to \$298 billion, remaining below the peaks of 2019 to 2021 but indicating renewed market functionality. Looking ahead, the setup for PE dealmaking remains favorable, although we expect hiccups along the way. Ample dry powder, improved financing conditions, declining rates and years of deferred transactions all point to continued strength. Meanwhile, liquidity needs continue to support robust secondary and net asset value (NAV)-based financing markets, and demand for Growth Equity remains solid as VC-backed companies seek capital to extend runways or pursue strategic acquisitions.

Private Credit⁵: Private Credit (PC) strategies returned approximately 1.5% in Q3, bringing one-year IRRs to around 8.6%. Investor focus entering 2026 has shifted toward potential AI-related disruption risks for incumbent software-as-a-service (SaaS) borrowers—a notable evolution from last year’s concerns about generalized credit deterioration. Direct Lending (DL) portfolios, with estimated software exposure near 20%, have a somewhat higher concentration than roughly 14% seen in the broadly syndicated loan market, reflecting private equity’s long-standing thematic tilt toward software.

Importantly, AI’s impact will vary widely by sector, borrower, portfolio mix and lender discipline. DL exposures may also be comparatively insulated given typically conservative loan-to-value ratios, substantial equity cushions, senior positioning and tighter credit documentation. For now, fundamentals—including within software—remain stable, supported by a healthy macro environment. While episodic volatility is possible, DL and the broader PC ecosystem are positioned to benefit from increased M&A activity, growth in investment-grade and asset-based strategies, and opportunities tied to AI-driven innovation across multiple industries.

Private Real Estate⁶: Private Real Estate (PRE) funds—primarily value-add and opportunistic—reported Q3 and one-year IRRs of –0.4% and –0.1%, respectively, underscoring ongoing but tentative stabilization. Broader real estate indicators were mixed: U.S. open-end core funds gained 0.7% in Q4 and 2.9% for the full year, while commercial property prices declined 0.9% in Q4 but remained slightly positive for 2025 overall. U.S. CRE transaction volumes rose 23% last year to \$545 billion, with activity improving across nearly all property sectors—including office—as pricing in office and retail appears to have adjusted enough to draw in buyers.

Although deal activity remains below prior-cycle highs, the combination of stabilizing prices, rising volumes and meaningfully improved financing conditions suggests continued progress in liquidity and sentiment. Lending capacity has strengthened across most lender types, and cap rates—after rising from 2022 lows—now sit near historically typical levels. The easing of pressure from higher Treasury yields, along with expectations for a wider CRE spread, also supports valuations. PRE’s relative value appeal has grown: PRE undervaluation versus public equities, as measured by comparing the Shiller CAPE to a PRE CAPE constructed by MSCI Real Capital Analytics, is approaching levels last seen in the late-1990s dot-com era.

³ Beta in investing is a numerical measure of an asset’s volatility—or systematic risk—relative to the overall market.

⁴ Cambridge Associates, LSEG, PitchBook, Inc. Bloomberg, performance data through September 30, 2025; data sourced February 27, 2026.

⁵ Cambridge Associates, LSEG, PitchBook, Inc., performance data through September 30, 2025; data sourced February 27, 2026.

⁶ Cambridge Associates, LSEG, PitchBook, Inc., MSCI Real Capital Analytics, NCREIF, Preqin, BloombergNEF, performance data through September 30, 2025; data sourced February 27, 2026.

PRIVATE EQUITY

VC/GE expected to benefit if AI theme proves durable. Early-stage capital also tied to trend of companies staying private for longer and incubating next gen tech disruptors.

BO also expected to benefit from lower rates.

Buyout
+ Venture Capital/ Growth Equity
Special Situations

PRIVATE CREDIT

Neutral across PC. DL to see declining returns with lower rates and climbing credit losses. Positive: More PE deals should increase DL deployment opportunities, potentially with wider spreads.

Direct Lending (DL)
Subordinated Capital
Asset Based/Specialty Finance

PRIVATE REAL ESTATE

Infrastructure tied to global trends of energy demand and digitization, with inflation-hedge characteristics.

PRE should continue to stabilize with outlook improving.

Private Real Estate
+ Infrastructure

+ symbol indicates the strategies CIO views as having the most favorable opportunity set for new investment within the Alts asset classes.

Infrastructure strategies returned 2.0% in Q3, bringing one-year IRRs to roughly 9%. The asset class has demonstrated resilience across both tightening and easing cycles, consistently delivering high-single- to low-double-digit returns. Deal volumes declined around 20% amid elevated trade and policy volatility, temporarily interrupting the asset class's long-running secular growth trend. Still, Infrastructure remains a core allocation for investors seeking inflation sensitivity and long-duration characteristics.

Data infrastructure continues to be the dominant long-term theme. Rapid growth in cloud computing, accelerated AI adoption, and rising global data consumption are driving significant increases in electricity demand from data centers. According to Bloomberg, data centers are projected to account for 4.5% of global final power consumption by 2035 and nearly double that share by 2050—underscoring the critical need for investment in transmission networks, next-generation data centers, and advanced cooling technologies. These areas remain central to Infrastructure's structural growth outlook.

Tangible Assets: Notwithstanding particular commodity demand and supply situations, we expect moderate upside pressures on commodity prices overall in coming quarters. Aside from temporary flareups associated with geopolitical volatility, oil prices are likely to remain contained amid expectations for comfortable supply-demand conditions into late 2026. Given the central role of energy in commodity production and transportation costs, this should also help anchor broader commodity prices. On the other hand, further dollar depreciation—given its still-elevated level on a real broad trade-weighted basis—is likely to provide tailwinds to commodity demand and pricing. Moreover, the global manufacturing cycle appears poised to rebound as the U.S. fiscal stimulus takes hold and increased European government spending supports industrial activity. With inflation normalizing, the Fed is unlikely to restrain the economy for the foreseeable future. Accommodative monetary policy and stronger global growth should support metals prices going forward. Given their historical role as a medium of exchange and a store of value, gold and silver have traditionally been viewed as alternative reserve assets to the U.S. dollar and have tended to move inversely with the exchange rate value of the dollar.

TANGIBLE ASSETS

Commodities / Natural Resources

+ symbol indicates the strategies CIO views as having the most favorable opportunity set for new investment within the Alts asset classes.

MACRO STRATEGY

- Consumer spending growth remains firm as unemployment remains low; wage and salary growth remain solid. GDP growth is tracking around 3% for Q1, helped by strong consumer and business investment spending.
- Core PCE inflation has been stuck in a 2.5% to 3% range for over a year. Energy and housing disinflation have helped to offset upward pressure from higher tariffs through the end of last year.
- Corporate profits are coming in strong, fueled by the boom in AI spending and a pickup in global economic growth. Despite inching slightly lower, domestic profit margins remain around a 60-year high. The profit cycle is likely to be extended by tailwinds from fiscal stimulus and deregulation, all supportive of economic growth and risk assets. Equity market leadership, tight credit spreads, normalized volatility and a softening dollar suggest solid growth ahead.

ECONOMIC FORECASTS (AS OF 2/27/2026)

	Q4 2025A	2025A	Q1 2026E	Q2 2026E	Q3 2026E	Q4 2026E	2026E
Real global GDP (% y/y annualized)	-	3.6*	-	-	-	-	3.5
Real U.S. GDP (% q/q annualized)	1.4	2.2*	3.3	3.0	2.0	2.0	2.8
CPI inflation (% y/y)	2.7	2.7*	2.6	3.0	2.8	2.7	2.8
Core CPI inflation (% y/y)	2.7	2.9*	2.6	2.8	2.6	2.7	2.7
Unemployment rate (%)	4.5	4.3*	4.5	4.5	4.4	4.3	4.4
Fed funds rate, end period (%)	3.63	3.63	3.63	3.38	3.13	3.13	3.13

The forecasts in the table are the baseline view from BofA Global Research. The Global Wealth & Investment Management (GWIM) Investment Strategy Committee (ISC) may make adjustments to this view over the course of the year and can express upside/downside to these forecasts. There can be no assurance that the forecasts will be achieved. Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance. A = Actual. E/* = Estimate. Sources: BofA Global Research; GWIM ISC as of March 3, 2026. Forecasts are subject to change. When assessing your portfolio in light of our current guidance, consider the tactical positioning around asset allocation in reference to your own individual risk tolerance, time horizon, objectives and liquidity needs. Certain investments may not be appropriate, given your specific circumstances and investment plan. Certain security types, like hedged strategies and private equity investments, are subject to eligibility and suitability criteria. Your advisor can help you customize your portfolio in light of your specific circumstances.

S&P 500 SCENARIOS BASED ON FORWARD P/E AND 2026 EARNINGS PER SHARE (EPS)

The table below provides a rough indication of where the S&P 500 Index's central tendency could be, given various scenarios for EPS in 2026 and P/E ratio multiples. These scenarios are not official price targets and are not meant to signal levels where portfolio actions may always be needed. However, during times of market volatility, it's useful to keep this basic framework in mind when considering whether to incrementally add to or trim risk from portfolios while staying invested in one's strategic asset allocation framework.

2026 EPS	EPS Forward P/E (Next 12 months)				
	22.0x	23.0x	24.0x	25.0x	26.0x
\$330	7,260	7,590	7,920	8,250	8,580
\$320	7,040	7,360	7,680	8,000	8,320
\$310	6,820	7,130	7,440	7,750	8,060
\$300	6,600	6,900	7,200	7,500	7,800
\$290	6,380	6,670	6,960	7,250	7,540
\$280	6,160	6,440	6,720	7,000	7,280
\$270	5,940	6,210	6,480	6,750	7,020

For illustrative purposes only. Source: Chief Investment Office as of March 3, 2026.

CIO ASSET CLASS VIEWS AS OF MARCH 3, 2026

Asset Class	CIO View /					
	Underweight	Neutral	Overweight			
Equities	●	●	●	●	●	We are overweight Equities and continue to view weakness as a buying opportunity for long-term investors. We are overweight the U.S., overweight EM, and underweight International Developed.
U.S. Large-cap	●	●	●	●	●	Large-caps continue to look attractive on solid fundamentals, strong FCF and the ability to produce healthy shareholder payouts. We maintain an equal balance between Large-cap Value and Large-cap Growth in portfolios.
U.S. Mid-cap	●	●	●	●	●	We remain constructive on the outlook for Mid-caps, which have recently gained momentum and shown signs of earnings improvement.
U.S. Small-cap	●	●	●	●	●	Small-caps are supported by interest rate cuts, improved earnings, potential deregulation and an uptick in M&A activity. We continue to suggest a balance of Value and Growth factors.
International Developed	●	●	●	●	●	Europe is likely to see limited relative gains from expansion in AI given lack of market exposure, but fiscal easing remains supportive. Japan to benefit from structural reforms and fiscal support, despite the risk of higher interest rates. Higher energy prices have a relative headwind given reliance on net imports.
Emerging Markets	●	●	●	●	●	We are slightly overweight EM overall, with the heavyweight Asia region particularly well-positioned to benefit from exposure to growth sectors and exchange rate appreciation. EM Asia import exposure to higher energy prices partially offset by China stockpiles, with higher commodity prices a regional positive for Latin America.
International						
North America	●	●	●	●	●	The U.S. remains our preferred region relative to the rest of the world amid balance sheet strength, better fundamentals for consumer spending, and healthy shareholder payouts.
Eurozone	●	●	●	●	●	Expansionary fiscal policy combined with attractive relative valuations are potential market tailwinds. Exposure to growth in AI spending is limited, while risks remain from higher energy prices and growing competition with China in key industries.
U.K.	●	●	●	●	●	Lack of exposure to growth in AI spending represents a relative market disadvantage. Higher business taxes from government budget are a headwind for the corporate sector.
Japan	●	●	●	●	●	Sustained positive inflation and official efforts to increase corporate returns to shareholders remain fundamental supports. Large fiscal expansion is an additional tailwind despite the potential risks from energy price increases, higher bond yields and faster interest rate hikes.
Asia Pac ex-Japan*	●	●	●	●	●	Regional market likely to be driven in near term by slower economic growth in China and its impact on domestic demand, with exposure to higher energy prices through Australian natural gas production. Longer-term outlook dampened by exposure to ongoing structural constraints for China's economy.
Fixed Income	●	●	●	●	●	Yields are attractive, providing good diversification for multi-asset class portfolios and reasonable income. Neutral duration recommended.
U.S. Investment grade Taxable	●	●	●	●	●	Nominal and real rates are very attractive in a short- and long-term historical context. Neutral positioning with no significant sector tilts within all-Fixed Income portfolios.
International	●	●	●	●	●	International rates markets are at normal valuation levels on a U.S. dollar-hedged basis.
Global High Yield Taxable	●	●	●	●	●	Similar to investment grade, high yield valuations remain expensive but have backed up modestly— led by the leveraged loan market. However, a positive macroeconomic environment may limit spread volatility and credit losses as default rates have begun to improve modestly. This leaves us comfortable at a neutral positioning. Within a high yield allocation, we continue to suggest a balanced mix between loans and bonds.

*Asia Pac ex-Japan refers to the geographic area surrounding the Pacific Ocean. The Asia Pac ex-Japan covers the western shores of North America and South America, and the shores of Australia, eastern Asia and the islands of the Pacific. Tactical qualitative investment strategy weightings are relative in nature versus the strategic weightings for a fully diversified portfolio. Weightings are based on the relative attractiveness of each asset class. Tactical strategy weightings are for a 12- to 18-month time horizon. CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio. Because economic and market conditions change, recommended allocations may vary in the future. Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns. All sector and asset allocation recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. Not all recommendations will be in the best interest of all investors.

CIO EQUITY SECTOR VIEWS AS OF MARCH 3, 2026

The CIO Equity sector view is developed by applying a multi-input process combining the CIO's factor views and fundamental bottom-up industry outlook with top-down macro-economic changes and trends. The factor approach emphasizes valuation and momentum as key inputs, with a fundamental overlay taking into consideration forward-looking views of growth, profits, policy, events and sentiment as well as inclusion of certain investment themes. BofA Global Research's sector strategy views are also captured as an input into the CIO process. Our sector views are developed with a 12- to 18-month outlook but are revisited monthly by the GWIM Investment Strategy Committee.

Sector	CIO View /					
	Underweight	Neutral	Overweight			
Financials	●	●	●	●	●	We expect increased activity supported by deregulation and a positive net interest income outlook for Financials. Interest rate cuts, along with a steeper yield curve, can help improve credit risk and default rates going forward. Overall, valuation is attractive, and earnings-driven momentum should continue to improve as rates move lower. Risk Considerations: 1) a persistently inverted yield curve, 2) interest rate volatility, 3) a deep credit cycle for Commercial RE, 4) lost market share to non-bank lenders.
Utilities	●	●	●	●	●	We favor exposure to Utilities on growing electricity demand forecasts for the first time since the early 2000s and accelerating plans to invest in new generation, transmission and distribution infrastructure. Valuations based on forward price-earnings multiples are attractive compared to the broader S&P 500 index and momentum is neutral. Risk Considerations: 1) affordability concerns driving adverse regulatory or legislative solutions, 2) slower power demand growth than forecast, 3) power outage events.

Consumer Discretionary	● ● ● ● ●	<p>With a resilient consumer, a relatively solid job market, lower interest rates on the horizon, consumer tax stimulus coming in 2026 and a positive economic backdrop, we are overweight Consumer Discretionary. Consumers are finding ways to alter their budgets to accommodate both experiences and necessities. Consumer retail channels are shifting back to online spending as value-oriented consumers utilize alternative payment methods to supplement their spending and seek out bargains. Valuation for the sector is elevated with momentum neutral. Risk Considerations: 1) potential for an economic slowdown, 2) spikes in energy prices or interest rates, 3) sustained weakness in the job market.</p>
Industrials	● ● ● ● ●	<p>We are overweight Industrials as capex budgets continue to grow, some uncertainties have been removed, 100% bonus depreciation has been enacted again, and infrastructure plans are accelerating compared to recent years. Longer term there are multiple thematic drivers for Industrials over the next three to five years including multi-year backlogs for commercial aerospace, evolution of generative AI, increased power demand and improving outlooks for defense budgets outside the U.S. Valuation is elevated, and momentum improved to start 2026. Risk Considerations: 1) short-cycle recovery timing continues to be pushed back, 2) inflation resurgence drives up input costs, pressuring margins, 3) continued supply chain stress.</p>
Information Technology	● ● ● ● ●	<p>We remain neutral on the IT sector due to elevated valuations, crowded positioning and margin risks, despite strong earnings growth and AI-driven flows. Long-term outlook remains positive for Cloud, AI, data centers and semiconductors, but investors should focus on high-quality companies and add on market weakness. Risk Considerations: 1) China exposure and trade wars, 2) supply chain constraints, 3) AI monetization and overspend, 4) premium valuations.</p>
Healthcare	● ● ● ● ●	<p>We remain neutral on Healthcare. Policy uncertainty has been a significant overhang for the Healthcare sector for years, but following drug pricing agreements in recent months, some clarity on Healthcare issues and policy and proposed expedited timelines for new product development provides potential upside. Hence our upgrade to the sector from underweight to neutral in January. Utilization trends remain strong, and capital budgets are not under serious pressure. We maintain strong conviction in Diagnostics and Labs while large biopharma, SMD biotech and Life Science tools and equipment look to be more intriguing areas for investment. Medtech, Managed Care/Providers and Diabetes are areas to be selective. We remain optimistic on the long-term outlook for the Healthcare sector amid demographic changes, innovative pipelines and a focus on driving down cost to consumers. Valuation is fair and momentum has recently stalled. Risk Considerations: 1) policy changes that materially impact companies' profitability; 2) a slowdown in innovation; 3) margin and profitability pressures resulting from increased tariffs or higher labor/supply costs.</p>
Materials	● ● ● ● ●	<p>Improved pricing and demand for commodities in general and for metals and mining more specifically drives an increase in the Materials sector to neutral. Despite signs of oversupply and concerns remaining about too much new capacity in the future for petrochemicals and commodity chemicals the cyclical rotation and demand picture support the Materials outlook. We still see some longer-term tailwinds for demand, such as AI growth and power buildouts for copper demand and strong investment flows into precious metals, both trends have accelerated of late. The underlying sector valuation is neutral and momentum recently improved. Risk Considerations: 1) slower global economic growth, 2) weaker residential and non-residential construction, 3) oversupplied materials markets.</p>
Real Estate	● ● ● ● ●	<p>We are underweight Real Estate and would be selective in Real Estate exposure. Furthermore, risks are rising for downward pressure on rental rates as lease contracts expire and new contracts are negotiated. Continue to emphasize longer-term secular trends in data centers, communication infrastructure (towers), storage and industrial RE. Valuation is low and momentum stalled. Risk Considerations: 1) spike in interest rates and borrowing costs, 2) declining demand for CRE in oversupplied markets, 3) workout problems.</p>
Consumer Staples	● ● ● ● ●	<p>The Consumer Staples sector has faced headwinds from tariffs, higher input costs, and weaker earnings growth, while consumers increasingly trade down and favor private labels, pressuring branded product profitability. Although momentum is weak, fair-to-undervalued valuations and early signs of stabilization—along with AI-driven cost efficiencies—could support better-than-expected earnings in 2026. Risk Considerations: 1) soft demand across consumer-packaged goods, 2) consumer trade down and substitution, 3) ongoing growth in private label and store brands.</p>
Communication Services	● ● ● ● ●	<p>We reduce exposure to the Communication Services sector, based on operating cash flow and FCF questions and aggressive increases in capex spending. While valuations for top companies are rich, overall sector valuation is aligned with the market, and momentum remains neutral. Risk Considerations: 1) regulatory and anti-trust risks, 2) capex ramps for AI investments that limit EPS and FCF, 3) lower engagement pressuring growth.</p>
Energy	● ● ● ● ●	<p>Despite geopolitical tensions rising and uncertainty regarding the duration of disruptions, we remain cautious on the Energy sector on the growing oil supply outlook and potential for weaker energy cash flows and earnings in coming quarters. OPEC+ recently changed their policy by ending the production cuts—this is an important change in policy for energy markets. Continue to emphasize companies that are low-cost producers with high FCF, balance sheet strength and low break-even oil prices. Energy stocks still provide attractive valuations and strong dividends with improving momentum. Risk Considerations: 1) lower oil and natural gas commodity prices, 2) slower global energy demand.</p>

Source: Chief Investment Office. All sector and asset allocation recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. Not all recommendations will be in the best interest of all investors.

CIO THEMATIC INVESTING AS OF MARCH 3, 2026

The following themes and subthemes encapsulate the Chief Investment Office's thinking on some of the most convincing undercurrents of future areas of growth around: Transformative Innovation, Resilient Infrastructure, Future Security and Changing Demographics. These themes carry long-term implications for economic growth, the cost of capital and global earnings. We'd consider exposure to these themes a key ingredient to investing.

Transformative Innovation

Generative Artificial Intelligence: Power demand/generation, productivity wave

Robotics/Automation: Industrial/service robotics

Digitization: Cloud computing, data analytics, digital payments, internet of things, augmented reality and virtual reality, electrified transportation

Resilient Infrastructure

Energy Addition: Nuclear renaissance, solar, natural gas generation, hydrogen, battery storage

Utility Infrastructure: Data centers, grid (transmission/distribution), thermal management, water management, power generation

Supply Chain Reconfiguration: Onshoring/nearshoring buildout

Future Security

Aerospace & Defense: Remilitarization, space, drones

Cybersecurity: Network security, cloud evolution/security, endpoint security

Resource Protectionism: Food/agriculture/commodity scarcity (water), natural resources, metals/mining

Changing Demographics

Healthcare Innovation: Ageing, longevity, drug discovery, biotechnology (gene therapy, personalized medicine)

Great Wealth Transfer: Wealth creation, NextGen consumer/investor base

Global Labor Force Distribution: Immigration/migration, global fertility bust, automation "cobots"

Index Definitions

Securities indexes assume reinvestment of all distributions and interest payments. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Indexes are all based in U.S. dollars.

S&P 500 Index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although the index focuses on the large-cap segment of the market, with approximately 75% coverage of U.S. equities, it is also an ideal proxy for the total market.

Shiller CAPE ratio (Cyclically Adjusted Price-to-Earnings) is a valuation metric developed by Yale Nobel laureate Robert Shiller. It divides a stock index's current price by the average of 10 years of inflation-adjusted earnings, smoothing out business cycles to indicate if the market is overvalued or undervalued.

Important Disclosures

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

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The Chief Investment Office (CIO) provides thought leadership on wealth management, investment strategy and global markets; portfolio management solutions; due diligence; and solutions oversight and data analytics. CIO viewpoints are developed for Bank of America Private Bank, a division of Bank of America, N.A., ("Bank of America") and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S" or "Merrill"), a registered broker-dealer, registered investment adviser and a wholly owned subsidiary of Bank of America Corporation ("BofA Corp.").

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.

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All recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. Not all recommendations will be in the best interest of all investors.

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

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.

Investments have varying degrees of risk. Some of the risks involved with equity securities include the possibility that the value of the stocks may fluctuate in response to events specific to the companies or markets, as well as economic, political or social events in the U.S. or abroad. Small cap and mid cap companies pose special risks, including possible illiquidity and greater price volatility than funds consisting of larger, more established companies. Investing in fixed-income securities may involve certain risks, including the credit quality of individual issuers, possible prepayments, market or economic developments and yields and share price fluctuations due to changes in interest rates. When interest rates go up, bond prices typically drop, and vice versa. Bonds are subject to interest rate, inflation and credit risks. Municipal securities can be significantly affected by political changes as well as uncertainties in the municipal market related to taxation, legislative changes, or the rights of municipal security holders. Income from investing in municipal bonds is generally exempt from federal and state taxes for residents of the issuing state. While the interest income is tax-exempt, any capital gains distributed are taxable to the investor. Income for some investors may be subject to the Federal Alternative Minimum Tax. Investments in high-yield bonds (sometimes referred to as "junk bonds") offer the potential for high current income and attractive total return, but involves certain risks. Changes in economic conditions or other circumstances may adversely affect a junk bond issuer's ability to make principal and interest payments. Treasury bills are less volatile than longer-term fixed income securities and are guaranteed as to timely payment of principal and interest by the U.S. government. Mortgage-backed securities are subject to credit risk and the risk that the mortgages will be prepaid, so that portfolio management may be faced with replenishing the portfolio in a possibly disadvantageous interest rate environment. Investments in foreign securities (including ADRs) involve special risks, including foreign currency risk and the possibility of substantial volatility due to adverse political, economic or other developments. These risks are magnified for investments made in emerging markets. Investments in a certain industry or sector may pose additional risk due to lack of diversification and sector concentration. Investments in real estate securities can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates, and risk related to renting properties, such as rental defaults. There are special risks associated with an investment in commodities, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors. 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.

Alternative investments are intended for qualified investors only. Alternative Investments such as derivatives, hedge funds, private equity funds, private credit 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. 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.

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