CHIEF INVESTMENT OFFICE

Capital Market Outlook

January 30, 2023

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

IN THIS ISSUE

Macro Strategy—*Fixed Income Positioning: Be Circumspect and Mind the Disconnect:* For the past several months, risk assets including credit have had a remarkable rally against a significantly weakening economic environment. More recently, another "gap" has developed and widened: the Federal Reserve's (Fed) expected future rate path versus market expectations.

With these numerous disconnects and yields still attractive in the context of the last 15 years, investors would not need to take outsized risk to get reasonable returns from their bond allocations. We remain balanced and up-in-quality in Fixed Income.

Market View—*An Update on Triggers to Monitor for a New Equity Bull Cycle:* While we ultimately expect that 2023 will be a year in which the cyclical bear market converges back into the secular bull market trend, Equity market volatility is likely to persist through early 2023 as the global growth slowdown progresses.

To aid in the process of rebalancing and potentially adding to risk assets in the months ahead, we review six key triggers investors should be mindful of, a combination of which could ultimately indicate the beginnings of a new Equity bull cycle.

Thought of the Week—*Global Demographics: Where Sometimes, Less Is More:* As India surpasses China as the world's most populous country this year, investors shouldn't so easily discount India as the next China. India is still woefully behind the economic giant, China, by a slew of measures—for example, think of the comparative per capita income figures or purchasing power of their populations.

More prominent of a theme for this year should be China's reopening. Exposures include directly or indirectly investing through non-Chinese firms that are well positioned to exploit the reopening. Other beneficiaries to the reopening include the travel and leisure industries, luxury brands, and discretionary goods and services as a domestic recovery begins.

MACRO STRATEGY ▶

Matthew Diczok
Managing Director and Head of Fixed Income Strategy

MARKET VIEW ▶

Emily Avioli
Assistant Vice President and Investment Strategist

Theadora Lamprecht
Investment Analyst

THOUGHT OF THE WEEK ▶

Lauren J. Sanfilippo
Director and Senior Investment Strategy Analyst

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

MARKETS IN REVIEW ▶

Data as of 1/30/2023, and subject to change

Portfolio Considerations

As we begin 2023, our thinking is that bonds are more relatively attractive than Equities but could swap places quickly and potentially earlier than expected. This month we have shifted to be tactically neutral across stocks and bonds, to maintain a defensive posture and preference for Quality. Within U.S. Equities, we are adjusting our sector views by upgrading Healthcare and downgrading Real Estate. The inclusion of Alternative Investments,* for qualified investors, to help mitigate risk and/or potentially enhance portfolio returns should also increase in importance in 2023, in or opinion. As we move through the first half of the year, we will be looking for opportunities to add to Equities.

*Many products that pursue Alternative Investment strategies are available only to qualified investors.

Fixed Income Positioning: Be Circumspect and Mind the Disconnect

Matthew Diczok, Managing Director and Head of Fixed Income Strategy

There has been an interesting disconnect developing between macro and markets, a situation we have referred to as "Mind the Gap." For the past several months, risk assets including credit have had a remarkable rally. The best example is the high yield (HY) sector. After hitting a high of +583 basis points (bps) in July 2022, HY spreads recently hit a low of +407 bps—a tightening of more than 175 bps, with excess return over Treasurys an incredible 7.7% (14% annualized).[1]

What makes this remarkable is that it occurred against the backdrop of a significantly weakening economic environment. While credit has been rallying, recession risks have increased significantly:[2]

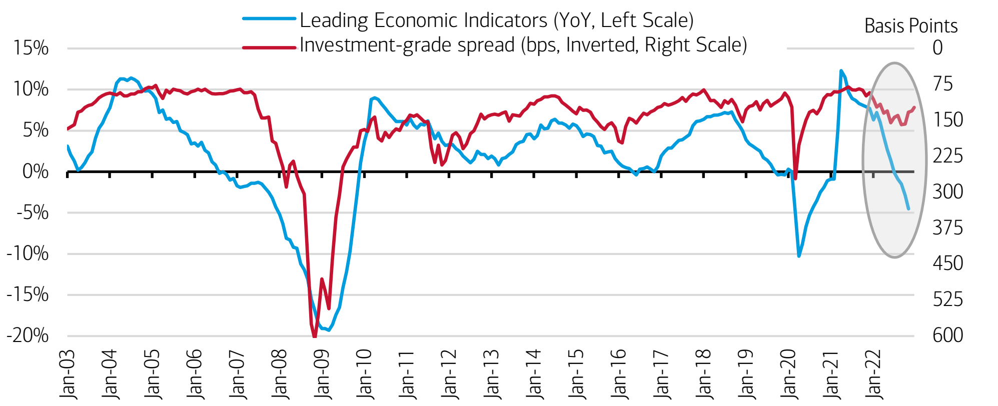
- The fed funds/10-year yield curve decreased ~240 bps and is now around -100 bps inverted
- Leading economic indicators went from a +9.7% year-over-year (YoY) to -4.5%
- Money supply has decreased -2%, the largest drop in the history of the data series (1959)
- Manufacturing and services economic activity has gone from strongly expansionary to contractionary (Institute for Supply Management Manufacturing (ISM) Purchasing Mangers' Index (PMI) 48.4, ISM Services PMI 49.6)

Economic and rate data indicate a recession is likely within 12 months, but credit spreads do not. This "gap" is one of the main reasons we have become more defensive with our Fixed Income positioning.

Investment Implications

Nominal and real rates have been some of the most attractive in the last 10 to 15 years. With the economy softening significantly but risk assets not at recessionary levels, Fixed Income allocations should be balanced across high quality assets, with a slightly positive view on U.S. Treasurys. Clients would not need to take excessive credit or interest-rate risk to earn reasonable returns, and being patient and diversified to wait for better opportunities in spread products seems prudent.

Exhibit 1: "Mind The Gap": Macro Diverges From Markets, As Economy Weakens But Credit Improves.



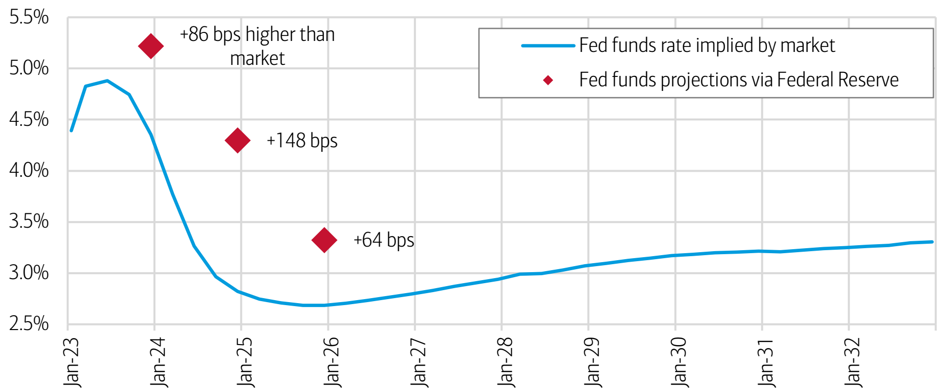
Sources: Institute for Supply Management; Bloomberg US Corporate Bond Index. Data as of January 19, 2023.

More recently, we have had another "gap" develop and widen: the expected future path of the fed funds rate. The Fed's projected fed funds rate path is now much higher than what the market thinks will occur. St. Louis Fed President Bullard recently said that the Fed is only "almost into a zone that we could call restrictive—we're not there yet," and that "policy has to stay on the higher side during 2023." Loretta Mester, president of the Cleveland Fed, echoed a similar refrain: "We're not at 5% yet, we're not above 5%, which I think is going to be needed … I just think we need to keep going." This has been a consistent message from the Fed Chair Powell has been warning since at least November 2022 that "restoring price stability will require holding policy at a restrictive level for some time. History cautions strongly against prematurely loosening policy."[3]

[1] Bloomberg U.S. Corporate High Yield Index. January 19, 2023.
[2] Bloomberg; Conference Board U.S. Leading Index Ten Economic Indicators YoY; Federal Reserve; Institute for Supply Management. January 19, 2023.
[3] "Inflation and the Labor Market." Speech by Fed Chair Jerome Powell. November 30, 2022.

This view—informed by the inflationary era and Fed mistakes of the 1970s—is being directly challenged by markets. While the Fed believes they are going to get to 5.25% and maintain that rate for a while ("higher for longer"), the market is currently projecting that rates likely top out at 5% at the highest. By the end of 2024, the market believes the fed funds rate will only be 2.8%[4]—that is about 150 bps lower than what the Fed expects (4.3%[5]), a very sizable gap indeed.

Exhibit 2: "Mind The Gap", Part II: The Fed and Market Disagree on the Path for Rates.



Sources: Federal Reserve Board; Bloomberg. Data as of January 19, 2023.

The Fed believes that the market doubts their resolve. They therefore continue to double down on their messaging, hoping to stop the easing of financial conditions that the market's lowered rate expectations are causing and to bring market expectations back into line with their preferred policy path. This, in our opinion, is the wrong read. What the market is actually saying, from our perspective, is that the Fed is wrong and late—yet again. The Fed was slow to react to the inflationary problem; similarly, the Fed is now slow to recognize the significant disinflationary pressures it has put into the pipeline, and the lag in monetary policy means that inflation will continue to slow. The market does not doubt the Fed's resolve; what it doubts is the Fed's analysis of and prescription for the current economic situation.

This disconnect between macro and markets can likely continue for a while, as one sizable part of the economy is still amazingly resilient: the labor market. Weekly jobless claims recently hit 190,000. This is more than 70,000 lower than July's peak, and not much higher than the lowest level in 2022 of 166,000 (itself the lowest since 1968!)[6] At the beginning of the last four recessions (1981, 1990, 2000 and 2007), weekly initial jobless claims averaged 390,000—more than double where they are right now. Credit markets can remain at these levels so long as the labor market does not weaken dramatically and a soft landing is achieved. Therefore, the gap between macro and markets is really a race between disinflation and the labor market: Can the Fed get inflation back to 2% without causing a significant increase in unemployment? This is the key question.

For asset allocation purposes, however, we don't need to answer that question definitively. The more disconnected and complex the divide between macro and markets, the simpler the portfolio implications. We have become more defensive and closer to benchmark weights in Fixed Income. We have moderated our slightly positive view on corporates to neutral and improved our view on U.S. Treasurys to slightly positive from neutral. We are maintaining a neutral position in duration, balancing the risk of lower rates (if the market is right) vs higher rates (if the Fed is correct, and the long end follows). With nominal and particularly real rates still attractive in the context of the last 15 years, investors would not need to take outsized risk to get reasonable returns from their bond allocations. We believe keeping close to benchmark positioning with a slight tilt to the highest quality Fixed Income instruments is a prudent course and should deliver reasonable returns no matter which way the gaps may converge.

[4] Eurodollar futures, Bloomberg. January 19, 2023.

[5] "Summary of Economic Projections," Federal Reserve. December 14, 2022.

[6] U.S. Initial Jobless Claims, Department of Labor, Bloomberg. January 19, 2023.

MARKET VIEW

An Update on Triggers To Monitor for a New Equity Bull Cycle

Emily Avioli, Assistant Vice President and Investment Strategist

Theadora Lamprecht, Investment Analyst

While we ultimately expect that 2023 will be a year in which the cyclical bear market converges back into the secular bull market trend, Equity market volatility is likely to persist through early 2023 as the global growth slowdown progresses. To aid in the process of rebalancing and potentially adding to risk assets in the months ahead, we review the triggers we are monitoring and think investors should be mindful of what could ultimately indicate the beginnings of a new Equity bull cycle.

Trigger 1—Labor market weakness peaks: Despite an uncertain economic outlook heading into 2023, the labor market has remained a key source of strength. The U.S. unemployment rate decreased to its prepandemic low of 3.5% last month, the U.S. economy added 223,000 jobs in December,[7] and initial jobless claims were below 200,000 for the past two consecutive weeks.[8] There are, however, some signs of cooling, with several major technology and financial services companies recently making headlines for reducing headcount after several years of pandemic-induced hiring sprees. We expect further labor market weakness in the months ahead as the economy continues to lose momentum. This will likely add to the volatile and uncertain environment for risk assets in the near term, but once the adjustment in the supply/demand imbalance in the labor market has run its course and jobless claims peak, Equities should get a fresh tailwind. We expect this to happen toward the second half of 2023.

Trigger 2—Earnings downgrades stabilize: While markets have so far been taking their cue from inflation, we expect a greater focus on earnings going forward. Q4 2022 earnings season is off to a disappointing start, with the S&P 500 reporting a YoY decline in earnings for the first time since Q3 2020.[9] The outlook continues to deteriorate for 2023, with consensus estimates down by 10% since the June 2022 peak.[10] Despite these downward revisions, it's our view that 2023 forecasts are still too optimistic with consensus anticipating a 3% rise in earnings-per-share (EPS).[11] BofA Global Research is forecasting a 9% decline in EPS for 2023, and risks remain skewed to the downside as economic activity slows and higher labor costs continue to squeeze profit margins. While healthier corporate and consumer balance sheets may create conditions for an EPS drawdown that's less severe than the typical decline of over 20% seen during recessions, it's our view that earnings downgrades will continue to gather steam before Equities find their footing.

Trigger 3—Core inflation moves closer to the Fed's target: The effects of the Fed's aggressive tightening campaign are beginning to filter through the economy, as evident in recent data that show several measures of inflation are cooling. The Consumer Price Index (CPI) fell by a seasonally adjusted 0.1% in December from the previous month and rose 6.5% on a YoY basis. Core CPI, which excludes volatile components like food and energy, rose 0.3% from the month prior and 5.7% YoY, marking the smallest advance since December 2021.[12] The slower pace of inflation can be largely attributed to softening prices for core goods. However, the Fed's closely watched measure of core services continues to see upward pressure from resilient consumer demand, fueled by excess savings and a tight labor market (Exhibit 3). A moderation of these factors may be required for inflation to move meaningfully lower toward the Fed's 2% target, which would ultimately allow the Fed to ease and could propel a sustained uptrend for Equities.

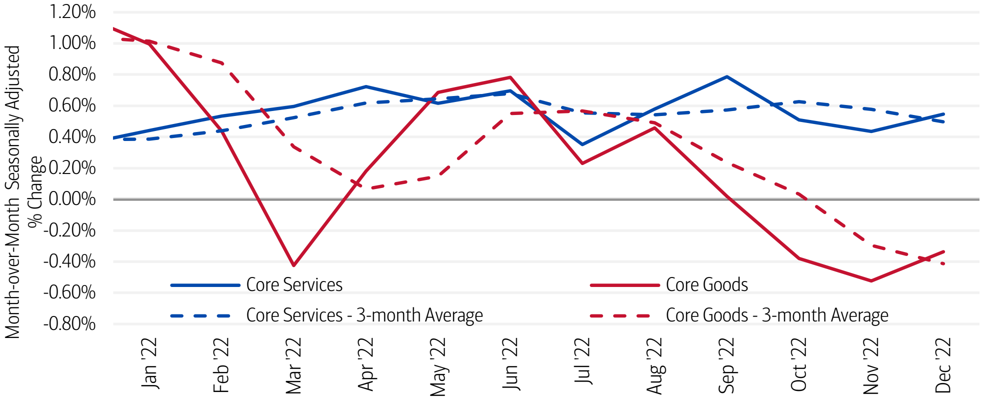
Investment Implications

During the final stages of the reset period in 2023, at various points investors should have some decisions to make. If unjustified risk-on sentiment leads to Equities not sufficiently pricing in the deteriorating fundamentals, then it may make sense to tactically become more defensive. On the other hand, if the short-term/speculative investing community overreacts and pulls Equity values lower than what fundamentals merit, then from a long-term perspective, it may be opportune to add to Equities. Investors should be alert to these divergences in 2023 and appropriately add and reduce risk to portfolios to mitigate the near-term volatility and be set up for the new cycle.

[7] Bureau of Labor Statistics. January 6, 2023.
[8] Bloomberg. January 23, 2023.
[9] Factset. January 20, 2023.
[10] BofA Global Research. January 23, 2023.
[11] Factset. January 26, 2023.
[12] Bureau of Labor Statistics. January 12, 2023.

RETURN TO FIRST PAGE

Exhibit 3: While Core Goods Prices Are Moderating, Core Services Prices Remain Elevated.



Source: BofA Global Research. Data as of January 23, 2023.

Trigger 4—Peak in the 2-year Treasury yield: The policy-sensitive 2-year Treasury yield has declined by roughly 50 bps since November 2022 as a variety of weakening economic data has reinforced expectations for a slower pace of rate hikes.[13] We are cautiously optimistic that the 2-year yield has peaked, but the resilient labor market and still-elevated levels of core inflation present the risk that the Fed may need to keep rates higher for longer while continuing its pace of quantitative tightening. Ultimately, a pronounced peak in the 2-year yield should help Equities stabilize, especially the growth segments of the market.

Trigger 5—Volatility spikes: The Chicago Board Options Exchange (CBOE) Volatility Index (VIX), which measures the volatility level for the S&P 500 Index, currently hovers around 20, which is slightly above historic averages but well below the level that would typically be considered a turning point for Equities. Equity market troughs have closely followed when the VIX has risen above 40 during past market downturns.[14] On the other side of the coin, the VIX's recent year-to-date low of 18.4 could signal more downside ahead, as drops below 20 corresponded with the reversal of Equity rallies in four different situations in 2022: in January, April, August and December.

Trigger 6—The U.S. Dollar weakens: The U.S. Dollar seems to have peaked, with the Bloomberg Dollar Index down 10% from a two-decade high in September. A confluence of factors, including expectations for a slower pace of Fed tightening, optimism surrounding China's reopening, and a more aggressive pace of tightening by global central banks, have contributed to the downtrend. While renewed strength in the dollar cannot be ruled out due to its "safe haven" perception during recessions, over the medium term, the dollar is likely to weaken. This would be a trigger for more constructive relative performance of International Equities versus U.S. Equities.

Conclusion

In our view, current levels for Equities suggest that the risks from a 12- to 18-month time frame are balanced, but in the near term, there could be more downside to Equities as the economy and profit cycle further deteriorates. However, most of the financial community is expecting this outcome, which could create a floor under the possibility of a significant Equity drawdown from these levels. Recessions bring about a decline in risk assets due to the shock and surprise factor, but that condition is missing today. One area of negative surprise for the financial community could be a significant turn in the credit cycle, i.e., business bankruptcies picking up broadly or a certain segment of the market experiencing duress leading to concerns of it becoming systemic. Currently, credit spreads are fairly tight but bear watching as the much-expected recessionary environment progresses.

[13] Bloomberg. January 23, 2023.

[14] Chief Investment Office, Bloomberg, Yardeni. September 21, 2022.

RETURN TO FIRST PAGE

Global Demographics: Where Sometimes, Less Is More…

Lauren J. Sanfilippo, Director and Senior Investment Strategy Analyst

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

Much has been made of the recent demographic news out of China that the nation's population actually decreased last year, the first decline in six decades. Juxtaposed against India's continued population growth/trajectory, China is relinquishing its number one—at least in head count. India is expected to take the crown as the world's most populous nation sometime this year.

That said, hold the fanfare for India, considering there's nothing tectonic about India's ascent beyond 1.4 billion people given the nation's paltry per capita income of $2,000 (Exhibit 4A). Even with a massive working-age population giving India the chance to vie for the "next-China" promotion, the country has far to go in exploiting its demographic dividend. For example that would include improving the standard of living for the average Indian, as well as its education and employment opportunities and health outcomes for its expanding youth population. Until then, the global balance of power remains checked, with India in tow as a potential replacement to the global economic juggernaut, China. Meanwhile, China's per capita income is closer to $12,000, a six-fold multiple to India's and still just a fraction of the U.S.'s.

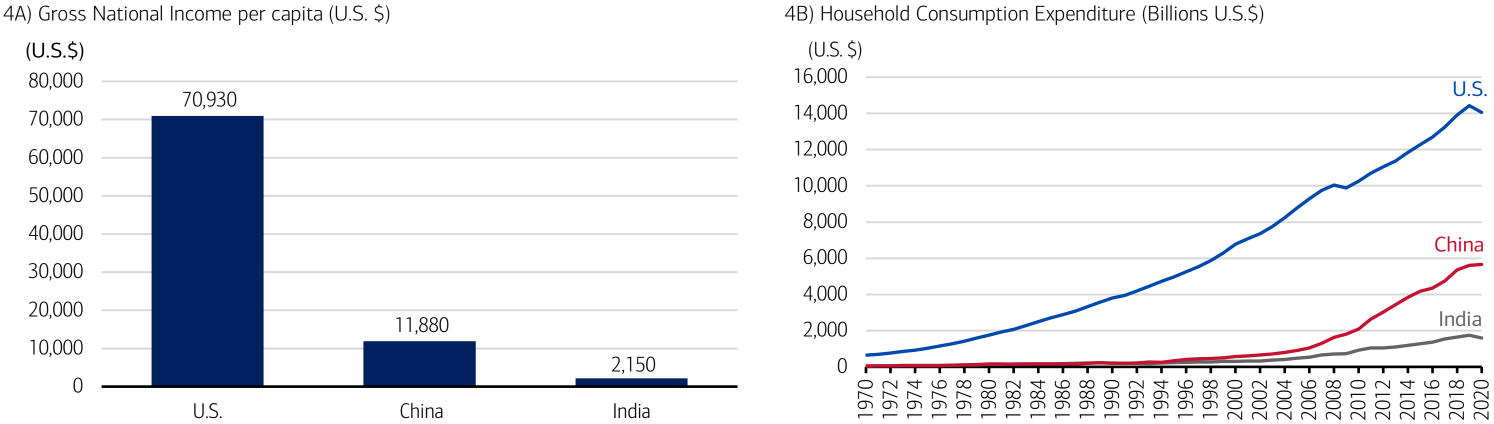
China is a tough act to follow considering its rise as a crucial source of both labor (China has more factory workers than Vietnam has people) and demand, fueling growth and earnings for the rest of the world. Describing the operational intricacies of Corporate America and China, Apple cited "more than 95 percent of iPhones, Air Pods, Macs and iPads are made in China, where Apple also earns about a fifth of its revenue."[15] Corporate earnings are supported/determined by skilled labor and wealthy consumers—two factors that separate China from India, and also the U.S. from Asia's twin giants. Exhibit 4B shows the rise in household consumption expenditures for the three countries for comparative purposes. Despite the rise in consumption of the elusive emerging market consumer, even combined, China and India together account for only half the consumption base that the U.S. offers. It's not about how many people a nation has but rather the purchasing power of the population.

Investment Implications

As zero-Covid policy restrictions are lifted across China, a domestic recovery should provide a boost to growth prospects and consumption. For investment opportunities, think within the energy and commodity spaces, luxury brands leaders, top regional and global travel operators, and countries with high export exposure to China (Europe/ ASEAN*), as well as leading multinationals leveraged to Chinese consumption.

*Association of Southeast Asian Nations

Exhibit 4: "Mind The Gap" in Per Capita Income and Purchasing Power Between the U.S., China and India.



Source: (Left Chart) World Bank. Data for 2021 as of December 30, 2022. (Right Chart) United Nations. Data for 2020 as of December 30, 2021.

The bottom line is, contrary to various media headlines hyping head count, less (population) can be more (higher per capita incomes). We believe the China reopening story, regardless of the demographics-in-decline backdrop, offers investors a unique opportunity in 2023.

[15] *The Financial Times*, "How Apple tied its fortunes to China," January 17, 2023.

Equities

	Current	WTD	MTD	YTD
	Total Return in USD (%)			
DJIA	33,978.08	1.8	2.6	2.6
NASDAQ	11,621.71	4.3	11.1	11.1
S&P 500	4,070.56	2.5	6.1	6.1
S&P 400 Mid Cap	2,619.47	2.4	7.9	7.9
Russell 2000	1,911.46	2.4	8.6	8.6
MSCI World	2,785.84	2.2	7.1	7.1
MSCI EAFE	2,109.29	1.4	8.6	8.6
MSCI Emerging Markets	1,051.19	1.4	10.0	10.0

Fixed Income†

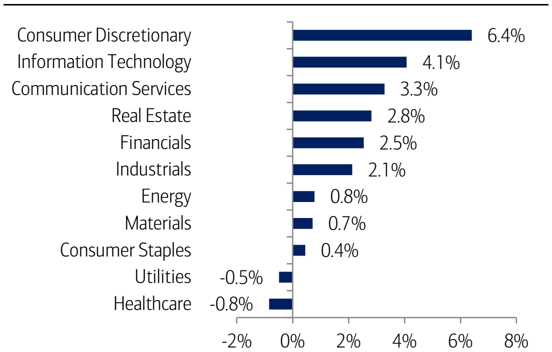
	Current	WTD	MTD	YTD
	Total Return in USD (%)			
Corporate & Government	4.31	0.07	2.83	2.83
Agencies	4.35	-0.08	1.41	1.41
Municipals	3.10	0.00	2.83	2.83
U.S. Investment Grade Credit	4.31	0.09	2.99	2.99
International	5.00	0.24	3.78	3.78
High Yield	8.11	0.38	3.91	3.91
90 Day Yield	4.66	4.63	4.34	4.34
2 Year Yield	4.20	4.17	4.43	4.43
10 Year Yield	3.50	3.48	3.87	3.87
30 Year Yield	3.62	3.65	3.96	3.96

Commodities & Currencies

Commodities	Current	WTD	MTD	YTD
	Total Return in USD (%)			
Bloomberg Commodity	244.15	-0.4	-0.7	-0.7
WTI Crude $/Barrel††	79.68	-2.0	-0.7	-0.7
Gold Spot $/Ounce††	1928.04	0.1	5.7	5.7

Currencies	Current	Prior Week End	Prior Month End	2022 Year End
	Total Return in USD (%)			
EUR/USD	1.09	1.09	1.07	1.07
USD/JPY	129.88	129.60	131.12	131.12
USD/CNH	6.76	6.78	6.92	6.92

S&P Sector Returns



Sources: Bloomberg; Factset. Total Returns from the period of 1/23/2023 to 1/27/2023. †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 1/27/2023 close. Data would differ if a different time period was displayed. Short-term performance shown to illustrate more recent trend. **Past performance is no guarantee of future results.**

Economic Forecasts (as of 1/27/2023)

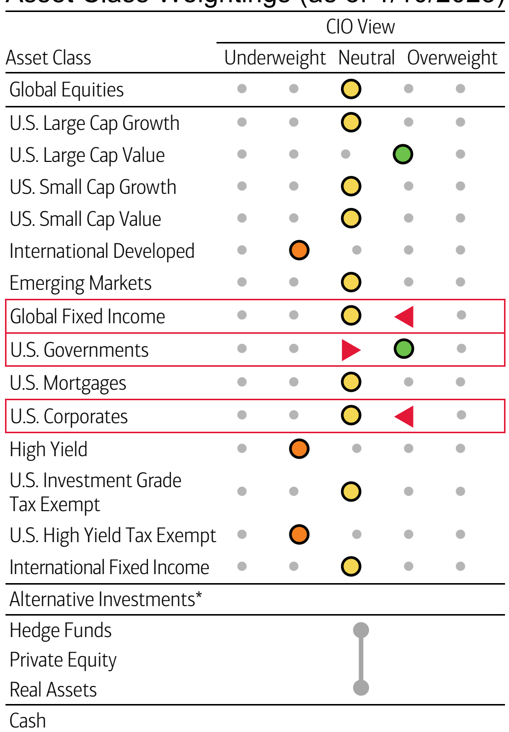
	Q4 2022A	2022A	Q1 2023E	Q2 2023E	Q3 2023E	Q4 2023E	2023E
Real global GDP (% y/y annualized)	-	3.4*	-	-	-	-	2.5
Real U.S. GDP (% q/q annualized)	2.9	2.1*	1.0	-0.5	-2.0	-1.5	0.7
CPI inflation (% y/y)	7.1	8.0	5.3	3.7	3.0	2.7	3.5
Core CPI inflation (% y/y)	6.0	6.1	5.2	4.3	3.3	2.8	3.9
Unemployment rate (%)	3.6	3.6	3.5	3.8	4.4	4.8	4.1
Fed funds rate, end period (%)	4.33	4.33	4.88	5.13	5.13	5.13	5.13

The forecasts in the table above are the base line view from BofA Global Research. The Global Wealth & Investment Management (GWIM) Investment Strategy Committee (ISC) may make adjustments to this view over the course of the year and can express upside/downside to these forecasts. Historical data is sourced from Bloomberg, FactSet, and Haver Analytics. **There can be no assurance that the forecasts will be achieved. Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance.**

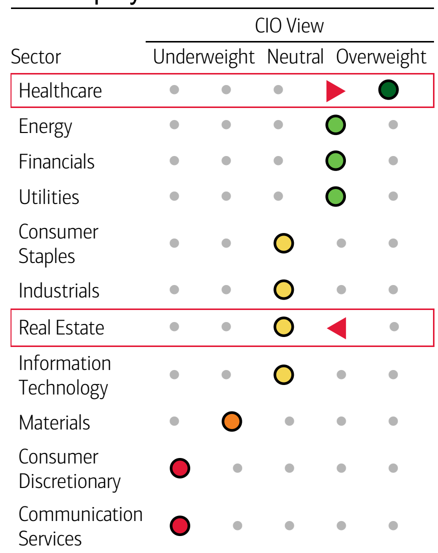
A = Actual. E/* = Estimate.

Sources: BofA Global Research; GWIM ISC as of January 27, 2023.

Asset Class Weightings (as of 1/10/2023)



CIO Equity Sector Views



*Many products that pursue Alternative Investment strategies, specifically Private Equity and Hedge Funds, are available only to qualified investors. CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio. Source: Chief Investment Office as of January 10, 2023. All sector and asset allocation recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. Not all recommendations will be in the best interest of all investors.

RETURN TO FIRST PAGE

Index Definitions

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

S&P 500 Index 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.

Institute for Supply Management Manufacturing (ISM) Purchasing Managers' Index (PMI) is a monthly indicator of U.S. economic activity based on a survey of purchasing managers at more than 300 manufacturing firms.

ISM Services PMI provides significant information about factors affecting total output, growth, and inflation.

Conference Board U.S. Leading Index is an American economic leading indicator intended to forecast future economic activity.

Bloomberg U.S. Corporate Bond Index is an unmanaged market-value-weighted index of investment-grade corporate fixed-rate debt issues with maturities of one year or more.

Bloomberg U.S. Corporate High Yield Index measures the USD-denominated, high yield, fixed-rate corporate bond market.

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

Chicago Board Options Exchange (CBOE) Volatility Index (VIX) measure of the stock market's expectation of volatility based on S&P 500 index options.

Bloomberg Dollar Index tracks the performance of a basket of 10 leading global currencies versus the U.S. Dollar.

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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. 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. 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. Bonds are subject to interest rate, inflation and credit risks. Investments in foreign securities 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. 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.

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, 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.