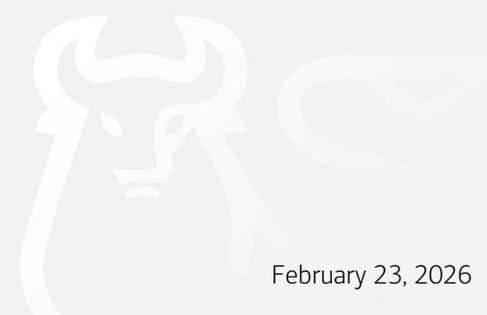


# Capital Market Outlook



February 23, 2026

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

## IN THIS ISSUE

**Macro Strategy—*Japan in the New World Order*:** Japan’s stocks have substantially outperformed those in the U.S. over the past year. The recent national elections, which saw Sanae Takaichi, Japan’s first female Prime Minister, carry her party to the biggest landslide majority since World War II (WWII), clearly separates Japan from most other rich industrial economies where the bitter political divide typical of prior fourth turnings<sup>1</sup> makes progress on key policy issues difficult to achieve. This strong Japan political consensus, along with the major reforms making the country’s equity market more attractive, suggests a new secular bull market has begun after the lost decades of deflationary stagnation that began over 35 years ago. In our view, Japan is well poised to prosper in the new world order taking shape.

**Market View—*Global Equity Markets and the Tech Turmoil*:** After the post-April advance and double-digit gains of 2025, U.S. Equities have had a comparatively volatile start to 2026. Market weakness has been most concentrated in software and cloud hyperscalers. And Equity indexes have exhibited a similar pattern globally, with a few growth sectors lagging the rest of the market. This has favored non-U.S. Equities given their heavier tilt toward Value and cyclicals. We still view the Artificial Intelligence (AI) investment and deployment theme as fundamentally intact and therefore expect growth sectors to perform well with a favorable stance on U.S. Equities. But in our view strong global growth, a weaker dollar, higher commodity prices and extended technology valuations also create a favorable environment for a number of non-U.S. markets.

**Thought of the Week—*A Bull Market in Hard Power*:** The intensified geopolitical environment combined with a global modernization of military arms is fueling a broad acceleration in defense spending across major economies. Europe, for one, has made significant commitments to a rearmament cycle at the same time that China, Japan and South Korea are also pledging to meaningfully increase their defense budgets. That’s not unlike the U.S., still the world’s biggest spender on defense. All this equates to a global arms race now underway.

<sup>1</sup> Fourth turnings are volatile periods of radical change in American history that have occurred every fourth generation (80 to 100 years) including the periods of the Revolutionary war, the Civil war and the Great Depression and World War II.

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## Portfolio Considerations

With new highs expected for Equities ahead, investors should consider portfolio adjustments such as increasing exposure to Small-caps and Emerging Markets as well as diversified sector exposures where underweight, leveraging Fixed Income as a ballast while maintaining an Equity overweight, and adding to growth themes and Alternative Assets, for qualified investors, where appropriate.

We are constructive on Fixed Income overall but underweight in order to fund our Equity overweight. We continue to project range-bound yields given sticky inflation and real gross domestic product remaining near or above 2% for the next few years. However, we recognize potentially high volatility in either direction, especially given the expected change in Federal Reserve leadership later this year.

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## Japan in the New World Order

*Chief Investment Office, Macro Strategy Team*

Japan was a major beneficiary of the old-world order that is currently being transformed by the political forces that have arisen from the old order's failure to address the needs of increasing numbers of people.

The old-world order was created in the ashes of the destruction from WWII. Arguably, nowhere was the devastation as widespread as in Japan after its wartime defeat.

The architects of the global institutions that framed the rules for the post-war recovery were especially focused on avoiding the problems that had arisen from the settlements after World War I, which were largely felt to have led to the conditions causing the Great Depression of the 1930s and WWII.

One of the main architects of the 1940s post-war framework, John Maynard Keynes, had predicted those problems in his famous book, *The Economic Consequences of the Peace*, written shortly after the Treaty of Versailles was finalized. Essentially, he argued the harsh treatment of Germany would lead to economic instability and make more conflict likely.

This experience caused the victors in WWII, mainly the U.S. and the U.K., to take a different approach with their defeated enemies, Japan and Germany. The new geopolitical order was created to help them recover and prosper with the belief that peaceful coexistence was more likely in a world of shared prosperity. The plan was wildly successful. In the next 45 years Japan and Germany rose from the ashes to become the second- and third-largest economies in the world.

The geopolitical order created during the 1940s included the Bretton Woods monetary arrangements supported by the creation of the International Monetary Fund and World Bank, the United Nations and the General Agreement on Tariffs and Trade (GATT) system for negotiating tariffs and other trade barriers. As with most major reforms tailored for a particular situation and time, these changes worked well especially for fostering economic recovery but have encountered more problems and grown less effective for changing times. Rather than solving problems, the old system has become the source of new problems over the past several decades.

Japan's experience illustrates both the successes and the shortcomings of the global arrangements set up in the 1940s. A major debate at the Bretton Woods Conference between Keynes and Harry Dexter White, the U.S. Treasury representative leading the negotiations, revolved around the new international monetary system. Keynes wanted to create a new international currency administered by a global central bank for settlement of international trade imbalances. The U.S. position which was adopted instead made the dollar the global currency for settlements fixing it to a \$35 per ounce gold price. The debate foreshadowed the basic problem that had plagued the interwar period of how to deal with countries that run persistent trade surpluses as well as the high tariffs that hurt the global trading system in the 1930s.

While the GATT Treaty, which was eventually replaced by the World Trade Organization, lowered tariffs, it basically allowed other countries to have higher tariffs than the U.S. because of the U.S.'s superior position after WWII and the greater need for recovery and economic development elsewhere.

In any event, Japan was able to use this system to build massive trade surpluses until the 1980s when the Reagan administration took remedial actions such as forcing Japan's car production into the U.S. At its peak in the late 1980s, concerns of Japan taking over the world were rampant, Japan asset valuations were astronomical, and Japan was buying up trophy U.S. assets, like the Pebble Beach Golf Course. At the peak, the Imperial Palace Grounds in Tokyo, for example, were said to be more highly valued than all the real estate in California. Japan's stocks comprised the biggest share of global equity markets.

### Investment Implications

Japan's stocks have started the year on a strong footing and have a number of tailwinds that warrant an overweight allocation in our view.

This was the first major trade imbalance problem for the U.S. in the post-War system. Today's imbalances, with China, in particular, taking advantage of the system, is the latest reminder of the issue that the architects of the Bretton Woods system grappled with but did not solve. Instead, they bestowed the U.S. dollar with exorbitant privilege at the cost of the problems caused by persistent growing trade imbalances.

Since 1990, Japan has seen one of the biggest asset bubbles ever deflate and persistent weak economic growth. Nevertheless, despite this decades-long poor economic performance, today it remains one of the richest countries in the world. For example, it owns more U.S. Treasury securities than any other country, including China. Spurred by a weak yen and low interest rates, Japanese investors have provided massive capital outflows financing investments all around the world including with the yen carry trade.

The new world order is largely about restoring parity, with the U.S. taking away the advantages it gave to the rest of the world after the 1940s. For Japan like everywhere else this means focusing more on domestic growth, investment and development rather than relying on trade surpluses to grow.

This implied movement of capital back into Japan should help the yen gain back some of the value it's lost in recent years. Estimates of fair value for the yen are quite a bit higher than current levels. One of the disadvantages for U.S. trade in the old order according to its critics is a tendency for the dollar to be overvalued because of its reserve currency status under the system created after WWII. To earn dollar reserves countries run persistent trade surpluses with the U.S.

While there is fierce resistance to the emerging new world order, especially from Europe, Japan's new government appears to be on board. The new prime minister admires Margaret Thatcher, Britain's first female Prime Minister. She has signed a trade deal with the U.S. and committed billions of dollars to joint energy projects to be developed in the U.S. Her cooperation is likely to reap continued benefits from the U.S. in the global reordering process.

In the meantime, Japan has spent recent years making its corporate governance rules more shareholder-friendly and less bound by the old system that ignored shareholders. Significant reforms were included in the Corporate Governance Code adopted in 2015 and implemented since then. The Tokyo Stock Exchange has increased pressure on companies trading below book value to develop capital improvement plans. There has been increased protection for minority shareholders. In short, the old system that favored insiders has been reformed to make Japan's equity market more shareholder friendly for the public.

Finally, after a decades-long effort to escape its debt-deflation trap Japan's monetary policy has apparently succeeded in its goal to reach a 2% inflation target putting Japan more in line with the rest of the world's major economies.

As a result, the Bank of Japan has begun to raise interest rates. As interest rates normalize domestic investment becomes more attractive and Japan's massive capital holdings around the world can come back home. This should help to bolster the yen back toward fair value and finance the new AI economy transition.

Japan was the first economy to confront the aging issue spreading through the developed world. AI has the potential to solve a lot of the problems confronting aging societies. Japan is likely to be at the forefront developing those solutions.

Between a stronger currency and a secular bull market after decades of stagnation Japan's stocks appear attractive for a well-diversified portfolio. In a world where political consensus is rare, Japan's recent election suggests policies to adapt to the new world order may be easier to implement than elsewhere where resistance is strong.

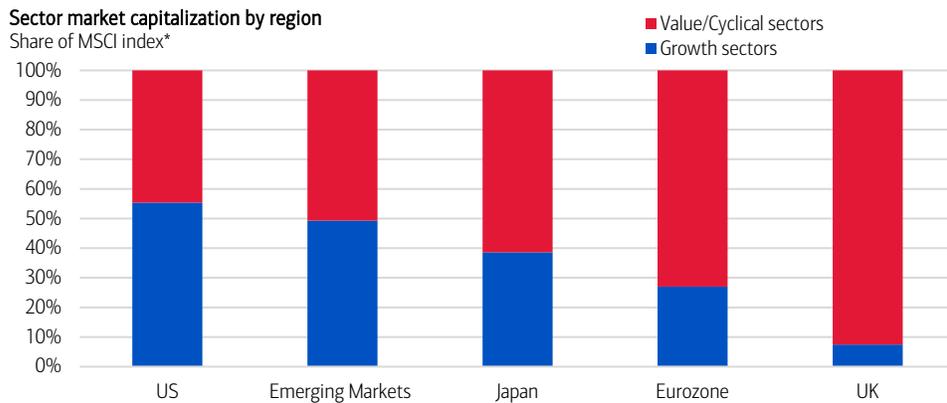
## Global Equity Markets and the Tech Turmoil

*Ehiwario Efeiyini, Director and Senior Investment Strategist*

After the post-April advance and double-digit gains of 2025, U.S. Equities have had a comparatively volatile start to 2026. Leadership has shifted away from Growth to Value and cyclicals. A wide gap of 20-plus percentage points has opened between the highest-returning sectors (Materials, Energy, Consumer Staples) and the lowest-returning sectors (Information Technology (IT), Consumer Discretionary). And the cap-weighted U.S. index has treaded water. Market weakness has been most concentrated in the software segment of the IT sector and across the cloud hyperscalers in Consumer Discretionary and Communication Services, giving contradicting signals that the prospective return on AI infrastructure investment may not justify current spending levels, but could nonetheless be sufficient to displace the market for enterprise software services.

Equity indexes have exhibited a similar pattern globally, with a few growth sectors lagging the rest of the market. And this has favored non-U.S. Equities given their heavier tilt toward Value and cyclicals (Exhibit 1). The three technology-linked growth sectors of IT, Communication Services and Consumer Discretionary now account for the majority (55%) of S&P 500 exposure, above the share for Emerging Markets (EM) (49%) and well in excess of the shares for Japan (39%), Eurozone (27%) and the U.K. (8%). We maintain a preference for the U.S. over the rest of the world. But strong global growth, a weaker dollar, higher commodity prices and extended technology valuations also create a favorable environment for a number of non-U.S. markets. And respective differences in industry composition and local policy settings should also determine their relative direction over the course of the year.

### Exhibit 1: International Equities Tilted More Toward Value and Cyclical Than Growth Sectors.



Source: MSC; Bloomberg. Data as of 2025. \*U.S. is S&P 500. Growth sectors: Information Technology, Communication Services, Consumer Discretionary. Value/Cyclical sectors: Materials, Energy, Consumer Staples, Industrials, Financials, Healthcare, Utilities, Real Estate. Eurozone is euro-denominated markets within MSCI index. **Past performance is no guarantee of future results.** Please refer to index definitions at the end of this report. It is not possible to invest directly in an index.

Similar to U.S. Equities, EM has close to half of its market cap in growth sectors. But in contrast with the U.S. market, the EM index has not experienced the same valuation compression during the recent technology turmoil. From its late-January price peak the S&P 500 price-to-earnings multiple has contracted by a half point, while over the same period EM valuations have expanded. This has been driven in part by their lower starting point, but also due to EM growth composition at the industry level. Technology-related exposure in hardware enablers such as foundry, semiconductors and storage has been relatively well immunized from the disruption expected in software and services that has weighed on the U.S. market. And this has been a key reason for the ongoing leadership of heavyweight markets within EM Asia.

European markets have benefitted directly from being more exposed to value and cyclicals, and have also seen their valuations move higher over recent weeks. The shift in fiscal approach away from balanced budgets and toward a much less restrictive stance is still in progress, focused most closely on the European Union (EU) defense industry. And in the

### Portfolio Considerations

Global Equities have been led by non-U.S. markets so far in 2026 as sector leadership has shifted away from Growth to Value and cyclicals. We remain favorable on the U.S. market and expect the AI theme to remain a key driver of returns over the period ahead. But strong global growth, a weaker dollar, higher commodity prices and extended technology valuations also create a favorable environment for a number of international markets. And alongside differences in industry composition and local policy settings we also retain a constructive view on Japan and Emerging Markets.

EU's largest economy Germany, broader spending plans also include increased outlays on clean energy, transportation and digital infrastructure. 2026 and 2027 are expected to be the peak growth impact years for Europe's fiscal expansion, and early signs of its effect have been visible in Germany's industrial manufacturing orders which grew by 5.7% in November and 7.8% in December. Indeed investment-led growth from both the public sector and private industry was referenced by the European Central Bank (ECB) in its decision to leave policy rates on hold at its latest meeting earlier this month, and this should continue to support cyclical sectors within the European equity market. Though at the same time investors should nonetheless retain a degree of caution over euro strength, weak exports, sub-2% inflation and a hawkish monetary policy stance.

Within Europe, the U.K. market has outpaced the eurozone so far this year with an even lower exposure of less than 10% to the three major growth sectors. But here we also remain cautious over higher domestic tax rates and increased political uncertainty. Unlike the ECB, the Bank of England is expected to cut rates further in 2026. But this is largely due to weakening expectations for economic growth over the coming quarters, which could ultimately act as a constraint on the home market later in the year.

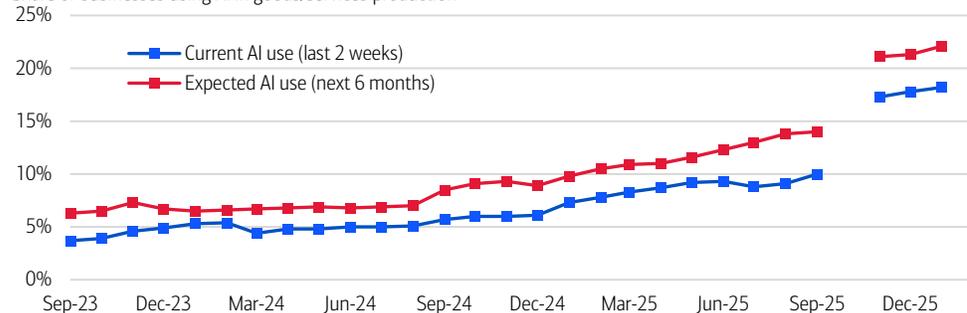
Across international developed markets, our most constructive stance is on Japan which has been a global leader in 2026. Sustained positive inflation and corporate sector reforms to encourage more shareholder-friendly activity in the form of mergers, buybacks and higher payouts should remain sources of structural support. And particularly in the wake of the ruling party's lower house supermajority at recent parliamentary elections, growth expectations have risen on government pledges to suspend the consumption tax on food and implement a 21 trillion-yen investment program in 17 strategic domestic industries such as semiconductors, biotechnology, defense and clean energy. Latent investors' concern over the budgetary consequences of this fiscal expansion will bear watching. But so far the equity market has been able to shrug off the potential debt implications and government bond yields have in fact fallen in the weeks since the election, offsetting a portion of their 100 basis point rise over the prior 12 months. And though similar to developed European markets Japan is less directly concentrated in the extended growth sectors, it has a much higher degree of exposure to global AI infrastructure investment through manufacturing equipment, industrial chemicals and electrical components. We would therefore expect continuing strength in the local market beyond the near term.

For U.S. Equities, the recent volatility has echoed the DeepSeek episode of early 2025 when similar concerns over AI model competition from China unsettled the technology sector. We nonetheless still view the AI investment and deployment theme as fundamentally intact. Adoption trends are strong according to business survey data from the Census Bureau (Exhibit 2).

## Exhibit 2: AI Adoption Rising Among U.S. Businesses.

### AI usage by U.S. nonfarm employers

Share of businesses using AI in goods/services production



Source: U.S. Census Bureau Business Trends and Outlook Survey. Data as of January 2026. Q4 2025 Data break resulting from government shutdown.

Earnings results from the technology majors have generally been robust, both in terms of capital spending plans and profitability. And on current consensus, the IT sector is still expected to deliver the strongest earnings growth within the S&P 500 for full-year 2026. The upshot is that we still expect Growth sectors to perform well and maintain our favorable stance on U.S. Equities. But on the back of strength in cyclical conditions globally and alongside local policy supports; we also see selective opportunities across Value sectors and non-U.S. markets in the current environment.

## A Bull Market in Hard Power

*Lauren Sanfilippo, Director and Senior Investment Strategist*

This week marks the four-year anniversary of the Ukraine-Russia war, with little prospect of peace on the horizon based on the lack of progress in Geneva last week. Meanwhile, the U.S. military continues its massive buildup in both the Middle East and the Western hemisphere. Over in Asia, a regional arms race is underway as countries like Japan, South Korea and Taiwan prioritize defense spending in the face of China’s rapid military modernization plans. As we have highlighted in the past, the world has entered an era of Great Power Rivalry. We live in a world where might makes right, which underpins our key theme: global defense and cybersecurity.

That begins to explain why defense budgets globally are rising at one of the fastest clips in decades. In fact, spending on defense globally has never been higher, reaching a record high of \$2.7 trillion in 2024, the last year of data. The U.S., long the largest defense spender, has its sights set on building a “Dream Military,” with a \$1.5 trillion budget proposal. Already, the U.S. spends more on defense than the next nine countries combined (Exhibit 3A).

Under U.S. pressure, most North Atlantic Treaty Organization members have pledged to raise core military budgets to 3.5% of gross domestic product by 2035 on troops and weapons, with another 1.5% on defense-related items like critical infrastructure and cybersecurity. In coordination with those rising targets, the EU’s revised Stability and Growth Pact allows member states to exceed deficit limits.

Order books and factory orders have been influenced: Germany’s defense related factory orders unexpectedly surged over the final three months of 2025, driven by strong demand for heavy machinery, weapons systems and advanced electronics. Reflecting this momentum, Germany’s largest arms manufacturer has seen its share price more than double over the past year.

Performance of aerospace and defense proxies has followed, with impressive runs since the start of the Russia-Ukraine war (Exhibit 3B). Impressively, stocks within the STOXX European Defense Index are up 14% year-to-date (YTD), led by gains in a drone manufacturer and a shipbuilder. U.S. aerospace and defense names have also advanced, rising more than 12% so far this year, closely followed by an Asia Pacific defense aggregate, which is up 11% YTD.

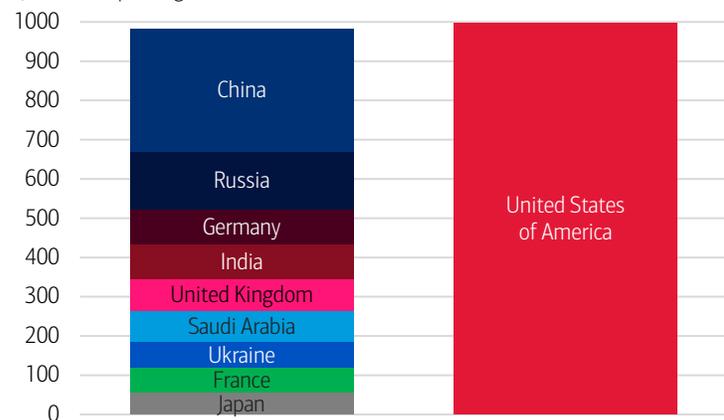
And so, global defense spending on armaments, rearmament and advanced military technologies is in an upcycle, supported by shifting geopolitics and expanding national budgets. At the same time, demand is accelerating for next generation capabilities ranging from cybersecurity solutions to unmanned systems, AI enabled defense architectures, hypersonic technologies and satellite networks.

### Portfolio Considerations

As wars grind on, the world is rearming. Defense spending targets pushing higher globally further supports the momentum the aerospace and defense industry has seen in recent years against a backdrop of unsettled geopolitics.

**Exhibit 3: The Ramp Up: Defense Spending and Performance of Aerospace and Defense Since Russia’s Invasion of Ukraine.**

A) Defense Spending, USD Billions.



B) Price Return Indexed to February 24, 2022

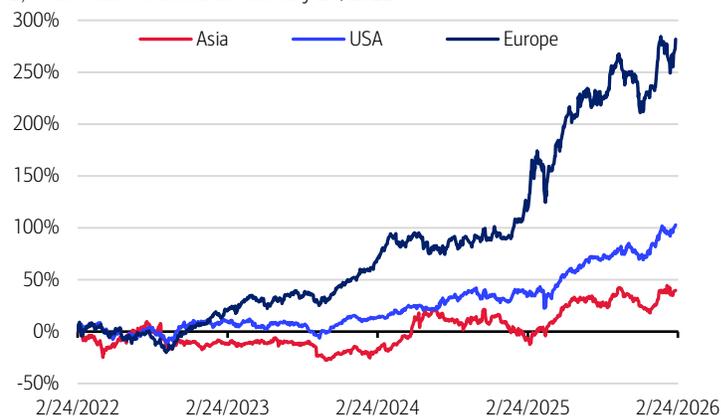


Exhibit 3A) Source: Stockholm International Peace Research Institute. Data refers to 2024, as of February 2026. Exhibit 3B) Source: Bloomberg Asia Pacific Aerospace/Defense Index, S&P 500 Aerospace & Defense Industry GICS Level 3 Index, and STOXX Europe Total Market Aerospace & Defense Index used. Source: Bloomberg. Data as of February 18, 2026. **Past performance is no guarantee of future results.** Please refer to index definitions at the end of this report. It is not possible to invest directly in an index.

Asset Class Weightings (as of 2/3/2026)

Asset Class	CIO View /		
	Underweight	Neutral	Overweight
Global Equities	●	●	●
U.S. Large-cap Growth	●	●	●
U.S. Large-cap Value	●	●	●
U.S. Small-cap Growth	●	●	●
U.S. Small-cap Value	●	●	●
International Developed	●	●	●
Emerging Markets	●	●	●
Global Fixed Income	●	●	●
U.S. Governments	●	●	●
U.S. Mortgages	●	●	●
U.S. Corporates	●	●	●
International Fixed Income	●	●	●
High Yield	●	●	●
U.S. Investment-grade	●	●	●
Tax Exempt	●	●	●
U.S. High Yield Tax Exempt	●	●	●
Alternative Investments*			
Hedge Strategies			
Private Equity			
Private Credit			
Real Assets			
Cash			

CIO Equity Sector Views

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

\*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 February 3, 2026. 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.

Economic Forecasts (as of 2/20/2026)

	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*	2.6	3.0	2.0	2.0	2.8
CPI inflation (% y/y)	2.7	2.7*	2.5	3.0	2.7	2.6	2.7
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 above are the base line view from BofA Global Research. The Global Wealth & Investment Management (GWIM) Investment Strategy Committee (ISC) may make adjustments to this view over the course of the year and can express upside/downside to these forecasts. Historical data is sourced from Bloomberg, FactSet, and Haver Analytics.

**There can be no assurance that the forecasts will be achieved. Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance.**

A = Actual. E/\* = Estimate. Data as of February 20, 2026.

Sources: BofA Global Research; GWIM ISC as of February 20, 2026.

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	49,625.97	0.3	1.6	3.4
NASDAQ	22,886.07	1.5	-2.4	-1.5
S&P 500	6,909.51	1.1	-0.3	1.1
S&P 400 Mid Cap	3,606.95	1.2	5.0	9.3
Russell 2000	2,663.78	0.7	2.0	7.4
MSCI World	4,555.11	1.0	0.7	2.9
MSCI EAFE	3,141.50	0.9	3.3	8.7
MSCI Emerging Markets	1,567.23	0.8	2.6	11.7

Commodities & Currencies

Commodities	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Bloomberg Commodity	302.97	2.1	-0.6	9.7
WTI Crude \$/Barrel <sup>††</sup>	66.39	5.6	1.8	15.6
Gold Spot \$/Ounce <sup>††</sup>	5107.45	1.3	4.4	18.2

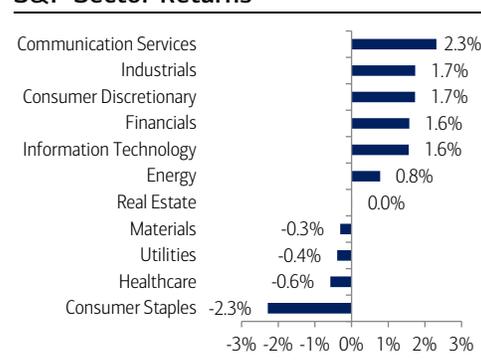
  

Currencies	Total Return in USD (%)			
	Current	Prior Week End	Prior Month End	2024 Year End
EUR/USD	1.18	1.19	1.19	1.17
USD/JPY	155.05	152.70	154.78	156.71
USD/CNH	6.90	6.90	6.96	6.98

Fixed Income<sup>†</sup>

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	4.16	-0.07	1.11	1.11
Agencies	3.91	-0.03	0.69	0.81
Municipals	3.33	0.23	0.92	1.86
U.S. Investment-Grade Credit	4.24	-0.08	1.09	1.20
International	4.75	0.02	1.08	1.26
High Yield	6.56	0.18	0.41	0.92
90 Day Yield	3.67	3.67	3.65	3.63
2 Year Yield	3.48	3.41	3.52	3.47
10 Year Yield	4.08	4.05	4.24	4.17
30 Year Yield	4.72	4.69	4.87	4.84

S&P Sector Returns



Sources: Bloomberg, Factset. Total Returns from the period of 2/17/2026 to 2/20/2026. <sup>†</sup>Bloomberg Barclays Indices. <sup>††</sup>Spot price returns. All data as of the 2/20/2026 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.**

## Index Definitions

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

**S&P 500 Index** is a stock market index tracking the stock performance of 500 leading companies listed on stock exchanges in the United States.

**MSCI U.S. Index** is designed to measure the performance of the large and mid cap segments of the US market. With 544 constituents.

**MSCI Emerging Markets Index** captures large and mid cap representation across 24 Emerging Markets (EM) countries.

**MSCI Japan Index** is designed to measure the performance of the large and mid cap segments of the Japanese market.

**MSCI United Kingdom (U.K.) Index** is designed to measure the performance of the large and mid cap segments of the UK market.

**MSCI Eurozone Index** seeks to track the investment results of an index composed of large- and mid-capitalization equities from developed market countries that use the Euro as their official currency.

**S&P 500 sub-sectors and industry groups Global Industry Classification Standard (GICS®)/S&P 500 Total Return Index**, including Information Technology Total Return (TR) USD; Consumer Discretionary TR USD; Industrials TR USD; Real Estate TR USD; Communication Services TR USD; Materials TR USD; Financials TR USD; Consumer Staples TR USD; Utilities TR USD; Energy TR USD; Healthcare TR USD.

**Bloomberg Asia Pacific Aerospace/Defense Index** are designed to measure the performance of narrow GICS® sub-industries. The S&P Aerospace & Defense Select Industry Index comprises stocks from the S&P Total Market Index that are classified in the GICS Aerospace & Defense sub-industry.

**S&P 500 Aerospace & Defense Industry GICS Level 3 Index** comprises stocks from the S&P Total Market Index that are classified in the GICS Aerospace & Defense sub-industry.

**STOXX Europe Total Market Aerospace & Defense Index** tracks armament producers at a time of heightened geopolitical tension and a historic upgrade of the continent's military capabilities.

## Important Disclosures

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

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