

Royal Bank of Canada

Superior profitability, B/S defensibility to drive stock outperformance

Reiterate Rating: BUY | PO: 146.00 CAD | Price: 130.93 CAD

Core 1Q24 EPS of \$2.93 vs \$2.71/\$2.79 BofAe/consensus

Royal (RY) shares had a relatively muted reaction to 1Q24 results that topped expectations, driven by higher pre-provision pre-tax income (PPPT, +3%/5% vs BofAe/consensus); credit costs were higher (+2%/8%). 1Q24 core EPS of \$2.93 got a lift from a lower tax rate tied to the capital markets segment (added ~13c). No change to our EPS estimates. Muted stock reaction was not surprising given that results were good enough to keep investors in their position (stock is well-owned), but not enough to serve as an immediate catalyst of further buying while Street awaits results from its peers.

HSBC synergies, US offer growth runway

We believe market share opportunities following the HSBC acquisition and announced expense synergies provide Royal with an idiosyncratic opportunity to deliver superior growth and an improved ROE. The turnaround at its US retail bank City National (CNB), growth opportunities in US wealth management and capital markets should serve as additional tailwinds to growth. Management remains open to M&A (particularly in the US wealth management space) but we see any larger deal as less likely near-term given the regulatory backdrop and while mgmt works towards HSBC integration and resolving the regulatory consent order at CNB.

Well-positioned to navigate an uncertain macro backdrop

We believe RY shares continue to offer an attractive risk/reward given an elevated level of macro-economic uncertainties which could pose greater challenges for its less diversified, smaller peers. A best-in-class ROE (~15% 1Q24 – arguably among the best vs GSIB peers), capital flexibility (pro-forma CET1 12.5%+ post-HSBC), idiosyncratic growth opportunities (HSBC synergies, CNB turnaround, US market share) all competitive strengths. We think valuation is reasonable for a best-in-class global banking franchise at 11.7x/10.3x 2024/25e P/E and 1.6x YE24e P/B (vs 16% mgmt. ROE target); 4.2% dividend yield. Reiterate Buy and \$146 PO.

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Estimates (Oct) (C\$)	2022A	2023A	2024E	2025E	2026E
EPS	11.12	11.19	11.22	12.68	13.60
GAAP EPS	11.05	10.50	9.98	12.54	13.58
EPS Change (YoY)	-1.2%	0.6%	0.3%	13.0%	7.3%
Consensus EPS (Bloomberg)			11.43	12.25	14.09
DPS	4.96	5.34	5.60	6.02	6.47
EPS (RY - US\$)	8.63	8.30	8.27	9.35	10.02
DPS (RY - US\$)	3.85	3.96	4.13	4.44	4.77
Valuation (Oct)					
P/E	11.8x	11.7x	11.7x	10.3x	9.6x
GAAP P/E	11.8x	12.5x	13.1x	10.4x	9.6x
Dividend Yield	3.8%	4.1%	4.3%	4.6%	4.9%

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Timestamp: 28 February 2024 09:44PM EST

28 February 2024

Equity

Key Changes

(C\$)	Previous	Current
2024E Rev (m)	58,855.7	56,008.2
2025E Rev (m)	60,728.0	57,953.0
2026E Rev (m)	62,420.0	59,444.8

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Stock Data

Price (TOR / NYS)	130.93 CAD / 96.46 USD
Price Objective	146.00 CAD / 108.00 USD
Date Established	18-Dec-2023 / 14-Feb-2024
Investment Opinion	A-1-7 / A-1-7
52-Week Range	107.92 CAD - 138.80 CAD
Market Value (mn)	184,458 CAD
Free Float	94.3%
Average Daily Value (mn)	819.94 USD
Shares Outstanding (mn)	1,408.8 / 1,408.8
BofA Ticker / Exchange	YRY / TOR
BofA Ticker / Exchange	RY / NYS
Bloomberg / Reuters	RY CN / RY.TO
ROE (2024E)	14.3%
ESGMeter™	High

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to "BofA ESGMeter Methodology".

iQprofileSM Royal Bank of Canada

Income Statement Data (Oct)

(C\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Interest Income	22,717	25,129	26,808	28,882	29,830
% change	13.6%	10.6%	6.7%	7.7%	3.3%
Net Fee Income	NA	NA	NA	NA	NA
Securities Gains / (Losses)	NA	NA	NA	NA	NA
Total Operating Income	48,942	51,513	56,008	57,953	59,445
Operating Expenses	(26,776)	(30,093)	(32,128)	(31,951)	(32,159)
% change	3.8%	12.4%	6.8%	-0.6%	0.7%
Provisions Expense	(484)	(2,468)	(3,604)	(3,296)	(3,298)
% change	NA	409.9%	46.0%	-8.5%	0.1%
Operating Pre-Tax Income	20,193	19,145	20,332	22,754	24,035
Operating Net Income to Comm S/Hold.	15,537	14,621	14,082	17,462	18,639
GAAP Net Income	15,883	15,821	16,122	17,950	18,966

Balance Sheet Data (Oct)

(C\$ Millions)	2022A	2023A	2024E	2025E	2026E
Total Assets	1,917,219	2,006,531	2,132,659	2,222,441	2,288,521
Average Interest Earning Assets	1,477,658	1,629,443	1,785,106	1,889,579	1,967,628
Total Gross Customer Loans	841,590	879,522	975,307	1,048,087	1,093,027
% change	13.5%	4.5%	10.9%	7.5%	4.3%
Total Customer Deposits	803,882	789,741	800,873	816,890	833,228
% change	8.9%	-1.8%	1.4%	2.0%	2.0%
Tangible Equity	82,497	89,336	95,087	101,457	108,273
Common Shareholders' Equity	100,857	107,833	113,715	120,047	126,827

Key Metrics (Oct)

(C\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Interest Margin	1.54%	1.54%	1.50%	1.53%	1.52%
Effective Tax Rate	21.3%	17.3%	20.7%	21.1%	21.1%
Loan / Deposit Ratio	104.7%	111.4%	121.8%	128.3%	131.2%
Tangible Common Equity / Assets	4.3%	4.5%	4.5%	4.6%	4.7%
ROA	0.86%	0.80%	0.77%	0.82%	0.84%
ROE	16.5%	15.5%	14.3%	15.1%	15.1%
RoTE	19.6%	18.1%	17.2%	18.0%	17.8%
Dividend Payout Ratio	44.9%	50.9%	56.1%	48.0%	47.7%
Efficiency Ratio (Cost / Income Ratio)	54.7%	58.4%	57.4%	55.1%	54.1%

Quality of Earnings (Oct)

(C\$ Millions)	2022A	2023A	2024E	2025E	2026E
Total Non-Interest Inc / Operating Inc	53.6%	51.2%	52.1%	50.2%	49.8%
NPLs plus Foreclosed Real Estate / Loans	0.3%	0.4%	0.5%	0.5%	0.5%
Loan Loss Reserves / NPLs	0%	0%	0%	0%	0%
Loan Loss Reserves / Total Loans	0%	0%	0%	0%	0%

Company Sector

Banks-Multinational/Universal

Company Description

Royal Bank is the largest Canadian bank by market capitalization. Royal has 1,200 branches across Canada and is first or second across virtually all product lines in terms of market share on the retail front. Management has built out a sizable global wholesale operation and as a result is deriving a larger proportion of its earnings from wholesale businesses than has been typical.

Investment Rationale

We rate Royal Bank of Canada - RY Buy. We view risk/reward for RY as attractive given best-in-class execution, strong positioning to compete in a digital first banking world, and our expectations for growth tailwinds following the acquisition of HSBC Canada.

Stock Data

Average Daily Volume	8,495,927
Shares / Common - Dual Listed	1.00

Quarterly Earnings Estimates

	2023	2024
Q1	3.05A	2.93A
Q2	2.68A	2.71E
Q3	2.83A	2.77E
Q4	2.64A	2.81E

PCLs headed higher

Mgmt. reiterated prior guidance for impaired PCLs in the range of 30-35bp of average loans FY24 (vs 31bp 1Q24). PCLs were driven by deteriorating credit quality of Canadian consumers (unsecured lending) and US CRE exposure (3% of total loans). During the earnings call, management noted that going forward, it expects PCLs to be driven by rising impairments vs macro driven reserve builds. Management suggested that changes in the unemployment rate (PCL guide assumes 6.6% by mid-2024 vs 5.8% currently) and the housing-price index (HPI) are likely to have a strong influence on the credit performance of Canadian consumers.

Capital build provides flexibility

CET1 capital +40bp to 14.9%. HSBC Canada scheduled to close at the end of March, Royal anticipates pro-forma CET1 of 12.5%+ at the end of 2Q24. Management announced an end to the discount on the dividend reinvestment plan (DRIP) following the second quarter. While the regulatory capital floor could become binding in 2025, management's continued risk-weighted asset optimization actions (-\$24bn YoY 1Q24) should limit the floor impact.

Acronyms

ROE: Return on equity

GSIB: Global systemically important bank

CET1: Common equity tier 1

PCLs: Provision for credit losses

CRE: Commercial real estate

Exhibit 1: RY 1Q24 earnings variance table

Earnings results vs BofA and consensus estimates

RY 1Q24 (C\$mn)	Actual	Cons	vs. Cons	BofAe	vs BofAe
Consolidated					
Net Income	4,121	3,907	5.5%	3,805	8.3%
Revenue (net of PBCAE)	13,771	13,542	1.7%	13,666	0.8%
Expense (ex-PBCAE)	7,820	7,847	-0.3%	7,910	-1.1%
PTPP	5,951	5,695	4.5%	5,756	3.4%
PCLs	813	754	7.8%	794	2.4%
Net Interest Income	6,332	6,561	-3.5%	6,581	-3.8%
Tax Rate	18.30%	20.7%	-240bp	22.0%	-370bp
Issuance/(Buybacks) (mn shares)	6.5	2.8	128.8%	5.0	30.0%
Adjusted EPS	2.93	2.79	4.9%	2.71	8.2%
Personal & Comm					
Net Income	2,065	2,127	-2.9%	2,084	-0.9%
Revenue	5,794	5,778	0.3%	5,815	-0.4%
Expense	2,334	2,396	-2.6%	2,449	-4.7%
PTPP	3,460	3,382	2.3%	3,366	2.8%
PCLs	634	537	18.0%	534	18.6%
Loan Growth (QoQ)	1.1%	1.0%	10bp	1.1%	0bp
NIM	2.77%	2.76%	1bp	2.82%	-5bp
Cap Markets					
Net Income	1,154	967	19.3%	937	23.2%
Revenue	2,951	2,882	2.4%	2,836	4.1%
Expense	1,642	1,671	-1.7%	1,590	3.3%
PTPP	1,309	1,211	8.1%	1,246	5.1%
PCLs	167	147	13.4%	144	16.1%
Wealth					
Net Income	776	677	14.6%	684	13.4%
Revenue	4,537	4,384	3.5%	4,532	0.1%
Expense	3,534	3,523	0.3%	3,561	-0.8%
PTPP	1,003	861	16.5%	971	3.3%
PCLs	11	107	-89.7%	115	-90.5%
Insurance					
Net Income	220	177	24.4%	214	2.7%
Revenue	363	1,294	-72.0%	1,068	-66.0%
Expense	71	1,048	-93.2%	786	-91.0%
PTPP	292	246	18.5%	282	3.6%
PCLs	1	-	-	-	-
Corp					
Net Income	(34)	(40)	15.4%	(48)	29.8%
Revenue	126	(95)	-232.8%	(58)	-318.4%
Expense	239	154	54.9%	50	378.0%
PTPP	(113)	(249)	-54.6%	(108)	4.9%
PCLs	-	-	-	0	-

Source: BofA Global Research estimates, Company filings, Visible Alpha, company-compiled survey

BofA GLOBAL RESEARCH

Price objective basis & risk

Royal Bank of Canada (YRY / RY)

Our \$146 PO (USD \$108) is based on applying a P/BV multiple of 1.8x (50% weight) to our YE24e BV and a 13.0x P/E (50% weight) multiple to our 2024e P/E. These multiples are a premium to the 12.5x P/E and 1.4x P/B for the group. We see a premium valuation as warranted given RY's superior EPS/ROE defensibility and franchise diversity.

Downside risks to our price objective are: 1) a Canadian and/or U.S. recession that would drive higher than expected credit costs, 2) deterioration in capital markets activity 3) a dramatic shift in the interest rate outlook, 4) unforeseen risks tied to the integration of HSBC Canada.

Upside risk to our PO is: (1) a stronger economy/growth, (2) better than expected synergies from the HSBC Canada acquisition, and (3) economic soft landing that leads to reduced funding cost pressures while asset quality holds-up.

Analyst Certification

I, Ebrahim H. Poonawala, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

North America - Banks Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Ares Capital Corporation	ARCC	ARCC US	Derek Hewett
	Ares Commercial Real Estate Corporation	ACRE	ACRE US	Derek Hewett
	Bank of Montreal	BMO	BMO US	Ebrahim H. Poonawala
	Bank of Montreal	YBMO	BMO CN	Ebrahim H. Poonawala
	Barings BDC Inc	BBDC	BBDC US	Derek Hewett
	Blackstone Mortgage Trust Inc	BXMT	BXMT US	Derek Hewett
	Blue Owl Capital Corporation	OBDC	OBDC US	Derek Hewett
	Carlyle Secured Lending Inc	CGBD	CGBD US	Derek Hewett
	Citigroup Inc.	C	C US	Ebrahim H. Poonawala
	Compass Diversified Holdings	CODI	CODI US	Derek Hewett
	Crescent Capital BDC	CCAP	CCAP US	Derek Hewett
	Cullen/Frost Bankers Inc	CFR	CFR US	Ebrahim H. Poonawala
	East West Bancorp, Incorporated	EWBC	EWBC US	Ebrahim H. Poonawala
	Fifth Third Bank	FITB	FITB US	Ebrahim H. Poonawala
	First Bancorp Puerto Rico	FBP	FBP US	Brandon Berman
	First Horizon Corporation	FHN	FHN US	Ebrahim H. Poonawala
	FNB Corporation of Pennsylvania	FNB	FNB US	Brandon Berman
	Goldman Sachs	GS	GS US	Ebrahim H. Poonawala
	JPMorgan Chase & Co.	JPM	JPM US	Ebrahim H. Poonawala
	KeyCorp	KEY	KEY US	Ebrahim H. Poonawala
	M&T Bank	MTB	MTB US	Ebrahim H. Poonawala
	Morgan Stanley	MS	MS US	Ebrahim H. Poonawala
	New Mountain Finance Corporation	NMFC	NMFC US	Derek Hewett
	Northern Trust Corporation	NTRS	NTRS US	Ebrahim H. Poonawala
	Nuveen Churchill Direct Lending	NCDL	NCDL US	Derek Hewett
	Royal Bank of Canada	RY	RY US	Ebrahim H. Poonawala
	Royal Bank of Canada	YRY	RY CN	Ebrahim H. Poonawala
	Safehold, Inc	SAFE	SAFE US	Derek Hewett
	Sixth Street Specialty Lending, Inc	TSLX	TSLX US	Derek Hewett
	Starwood Property Trust	STWD	STWD US	Derek Hewett
	Synovus Financial Corp.	SNV	SNV US	Ebrahim H. Poonawala
	The Bank of New York Mellon Corporation	BK	BK US	Ebrahim H. Poonawala
	Truist Financial	TFC	TFC US	Ebrahim H. Poonawala
	U.S. Bancorp	USB	USB US	Ebrahim H. Poonawala
	Webster Financial Corp.	WBS	WBS US	Brandon Berman

North America - Banks Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Wells Fargo & Company	WFC	WFC US	Ebrahim H. Poonawala
	Western Alliance Bancorp	WAL	WAL US	Ebrahim H. Poonawala
NEUTRAL				
	AGNC Investment Corp	AGNC	AGNC US	Derek Hewett
	Ally Financial	ALLY	ALLY US	Brandon Berman
	Annaly Capital Management	NLY	NLY US	Derek Hewett
	Apollo Commercial Real Estate Finance	ARI	ARI US	Derek Hewett
	Associated Banc-Corp	ASB	ASB US	Brandon Berman
	Bain Capital Specialty Finance, Inc.	BCSF	BCSF US	Derek Hewett
	Bank of Nova Scotia	YBNS	BNS CN	Ebrahim H. Poonawala
	Bank of Nova Scotia	BNS	BNS US	Ebrahim H. Poonawala
	Blackstone Secured Lending Fund	BXSL	BXSL US	Derek Hewett
	BrightSpire Capital Inc.	BRSP	BRSP US	Derek Hewett
	Canadian Imperial Bank of Commerce	CM	CM US	Ebrahim H. Poonawala
	Canadian Imperial Bank of Commerce	YCM	CM CN	Ebrahim H. Poonawala
	Citizens Financial Group	CFG	CFG US	Ebrahim H. Poonawala
	Comerica Incorporated	CMA	CMA US	Brandon Berman
	Commerce Bancshares Inc.	CBSH	CBSH US	Brandon Berman
	Goldman Sachs BDC, Inc.	GSBD	GSBD US	Derek Hewett
	Golub Capital BDC, Inc.	GBDC	GBDC US	Derek Hewett
	Huntington Bancshares Inc.	HBAN	HBAN US	Ebrahim H. Poonawala
	Ladder Capital Corp	LADR	LADR US	Derek Hewett
	New York Community Bancorp	NYCB	NYCB US	Ebrahim H. Poonawala
	Palmer Square Capital BDC	PSBD	PSBD US	Derek Hewett
	PennyMac Mortgage Investment Trust	PMT	PMT US	Derek Hewett
	Popular Inc	BPOP	BPOP US	Brandon Berman
	Regions Financial	RF	RF US	Ebrahim H. Poonawala
	The PNC Financial Services Group, Inc.	PNC	PNC US	Ebrahim H. Poonawala
	Toronto-Dominion Bank	TD	TD US	Ebrahim H. Poonawala
	Toronto-Dominion Bank	YTD	TD CN	Ebrahim H. Poonawala
	TPG RE Finance Trust, Inc.	TRTX	TRTX US	Derek Hewett
UNDERPERFORM				
	Bank of Hawaii Corp.	BOH	BOH US	Brandon Berman
	First Hawaiian Inc.	FHB	FHB US	Brandon Berman
	Guild Holdings Company	GHLD	GHLD US	Derek Hewett
	Invesco Mortgage Capital, Inc.	IVR	IVR US	Derek Hewett
	loanDepot Inc	LDI	LDI US	Derek Hewett
	MidCap Financial Investment Co	MFIC	MFIC US	Derek Hewett
	Prosperity Bancshares Inc	PB	PB US	Ebrahim H. Poonawala
	State Street Corporation	STT	STT US	Ebrahim H. Poonawala
	Texas Capital Bancshares Inc.	TCBI	TCBI US	Brandon Berman
	Zions Bancorp	ZION	ZION US	Brandon Berman

iQmethodSM Measures Definitions

Business Performance

Return On Capital Employed

Return On Equity

Operating Margin

Earnings Growth

Free Cash Flow

Quality of Earnings

Cash Realization Ratio

Asset Replacement Ratio

Tax Rate

Net Debt-To-Equity Ratio

Interest Cover

Valuation Toolkit

Price / Earnings Ratio

Price / Book Value

Dividend Yield

Free Cash Flow Yield

Enterprise Value / Sales

EV / EBITDA

Numerator

$\text{NOPAT} = (\text{EBIT} + \text{Interest Income}) \times (1 - \text{Tax Rate}) + \text{Goodwill Amortization}$

Net Income

Operating Profit

Expected 5 Year CAGR From Latest Actual

Cash Flow From Operations – Total Capex

Numerator

Cash Flow From Operations

Capex

Tax Charge

Net Debt = Total Debt – Cash & Equivalents

EBIT

Numerator

Current Share Price

Current Share Price

Annualised Declared Cash Dividend

Cash Flow From Operations – Total Capex

$\text{EV} = \text{Current Share Price} \times \text{Current Shares} + \text{Minority Equity} + \text{Net Debt} +$

Other LT Liabilities

Enterprise Value

Denominator

$\text{Total Assets} - \text{Current Liabilities} + \text{ST Debt} + \text{Accumulated Goodwill}$

Amortization

Shareholders' Equity

Sales

N/A

N/A

Denominator

Net Income

Depreciation

Pre-Tax Income

Total Equity

Interest Expense

Denominator

Diluted Earnings Per Share (Basis As Specified)

Shareholders' Equity / Current Basic Shares

Current Share Price

$\text{Market Cap} = \text{Current Share Price} \times \text{Current Basic Shares}$

Sales

Basic EBIT + Depreciation + Amortization

iQmethodSM is the set of BofA Global Research standard measures that serve to maintain global consistency under three broad headings: Business Performance, Quality of Earnings, and validations. The key features of iQmethod are: A consistently structured, detailed, and transparent methodology. Guidelines to maximize the effectiveness of the comparative valuation process, and to identify some common pitfalls.

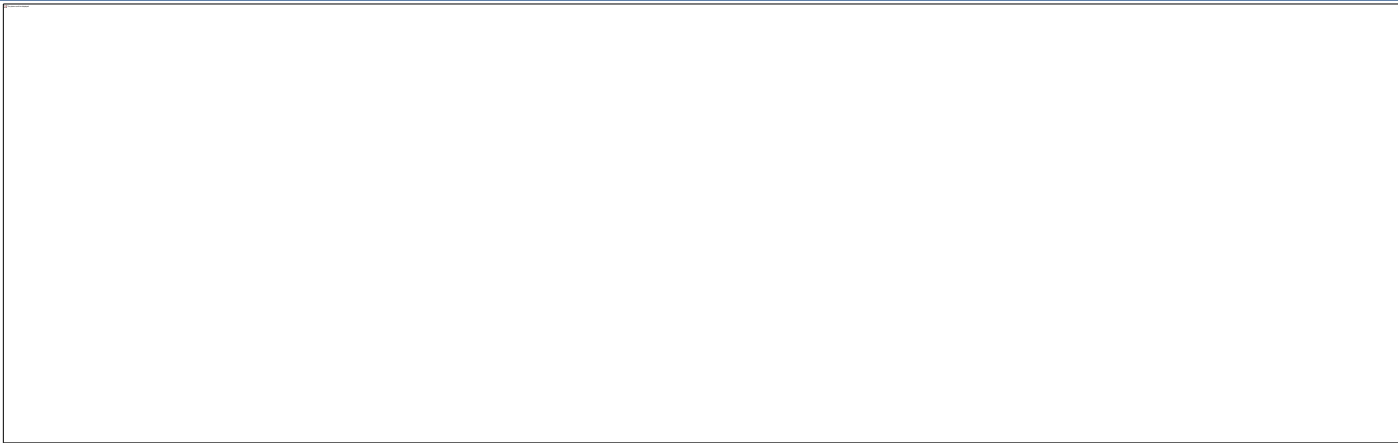
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Disclosures

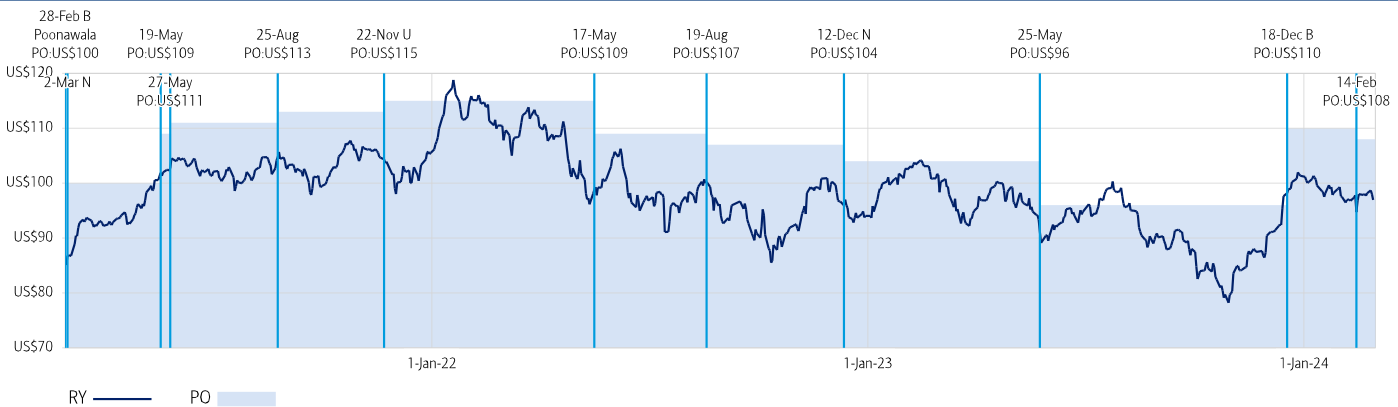
Important Disclosures

Royal Bank (YRY) Price Chart



The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

Royal Bank (RY) Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of a date no more than one trading day prior to the date of the report.

Equity Investment Rating Distribution: Banks Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	100	49.75%	Buy	84	84.00%
Hold	54	26.87%	Hold	41	75.93%
Sell	47	23.38%	Sell	35	74.47%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.



FUNDAMENTAL EQUITY OPINION KEY: Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. **VOLATILITY RISK RATINGS**, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. **INVESTMENT RATINGS** reflect the analyst's assessment of both a stock's absolute total return potential as well as its attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). Our investment ratings are: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. An investment rating of 6 (No Rating) indicates that a stock is no longer trading on the basis of fundamentals. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R2}Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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