

Global Fund Manager Survey

Bonds have more fun

BofA November Global Fund Manager Survey

The Nut: Fund Manager Survey (FMS) investors remain cautious on macro but turn bullish on interest rates; investor playbook for 2024 is soft landing, lower rates, weaker US\$, large cap tech and pharma bull continues, avoid China and leverage; investors cut cash from 5.3% to 4.7% (2-year low), move to biggest bond overweight since Mar'09, flip to 1st equity overweight since Apr'22.

On Macro: investors expect weaker global growth (net -57%) but 74% predict soft or no landing at all (21% say hard landing); "short leverage" theme...CIOs tell CEOs to improve balance sheet (52%) rather than increase capex (21%) or stock buybacks (18%).

On Policy: 76% say Fed hiking cycle over, 80% expect lower short rates (most since Nov'08), 61% expect lower bond yields (Chart 1, most on record) despite 2nd highest ever saying fiscal policy too stimulative; contrarians note just 6% see higher CPI in 2024.

On Crowds, Regions & Sectors: Nov FMS shows long positions in/rotation to bonds, tech (2-year high), REITs, US & Japan stocks (5½-year high), and rotation from/short positions in cash, materials (3½-year low), industrials, banks, UK/Eurozone stocks; most crowded trades: long Big Tech 38%, short China stocks 22%, long T-bills 11%.

FMS Contrarian Trades: long cash, short US growth stocks & Japan equities in surprise "hard landing"; long cash, US\$, commodities if "no landing"/higher rates the '24 surprise; most contrarian trade of 2024 is "long leverage, short quality".

Chart 1: Big conviction bond yields lower in '24

FMS % expecting lower long-term rates



Source: BofA Global Fund Manager Survey

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Trading ideas and investment strategies discussed herein may give rise to significant risk and are not suitable for all investors. Investors should have experience in relevant markets and the financial resources to absorb any losses arising from applying these ideas or strategies.

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Notes to Readers

Source for all tables and charts:
BofA Fund Manager Survey,
DataStream

Survey period 3rd to 9th Nov 2023

265 panellists with \$632bn AUM participated in the November survey. 225 participants with \$553bn AUM responded to the Global FMS questions and 151 participants with \$268bn AUM responded to the Regional FMS questions.

How to join the FMS panel

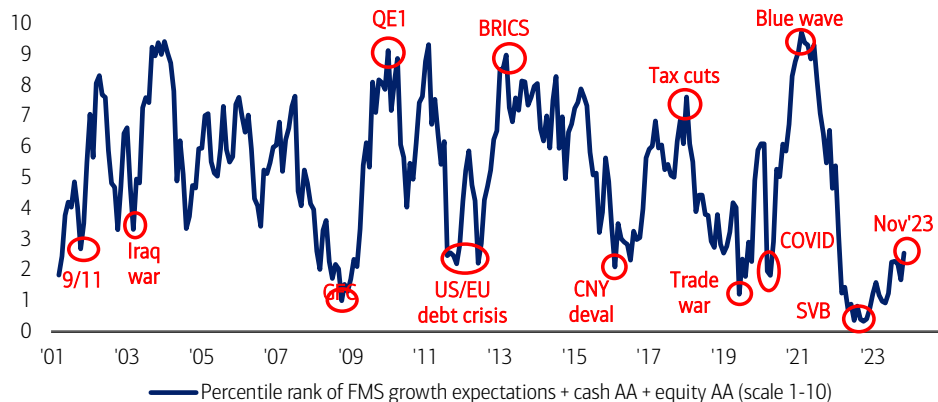
Investors/clients are encouraged to sign up to participate in the Survey. This can be done by contacting [Michael Hartnett](#) or your BofA sales representative.

Participants in the survey will continue to receive the full set of monthly results but only for the relevant month in which they participate.

Charts of the Month

Chart 2: FMS sentiment still bearish, though no longer “extreme bearish”

Percentile rank of FMS growth expectations + cash level + equity allocation (scale 0-10)



Source: BofA Global Fund Manager Survey; (0=bearish, 10 = bullish)

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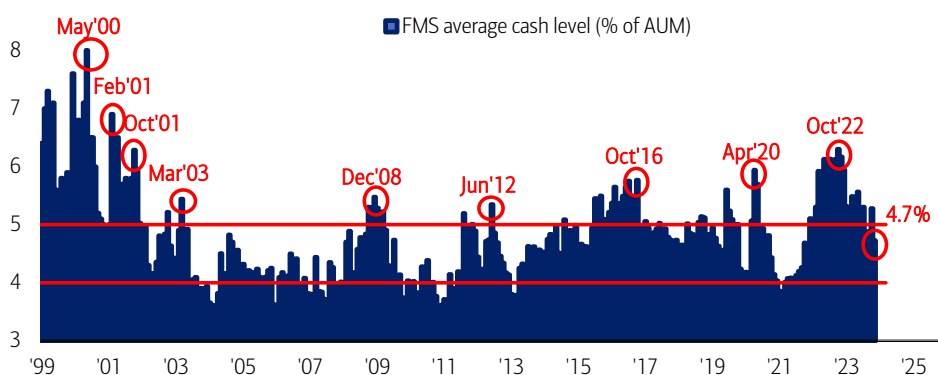
November FMS investor sentiment remains bearish (though no longer “extreme bearish”), driven by growth expectations.

Our broadest measure of FMS sentiment, based on cash positions, equity allocation & economic growth expectations rose to 2.6 from 1.7, largest monthly rise since Nov'21.

On back of Nov FMS the BofA Bull & Bear Indicator drops to 1.6 from 1.7.

Chart 3: BofA Global FMS cash level plunges from 5.3% to 4.7%

FMS average cash level % AUM



Source: BofA Global Fund Manager Survey

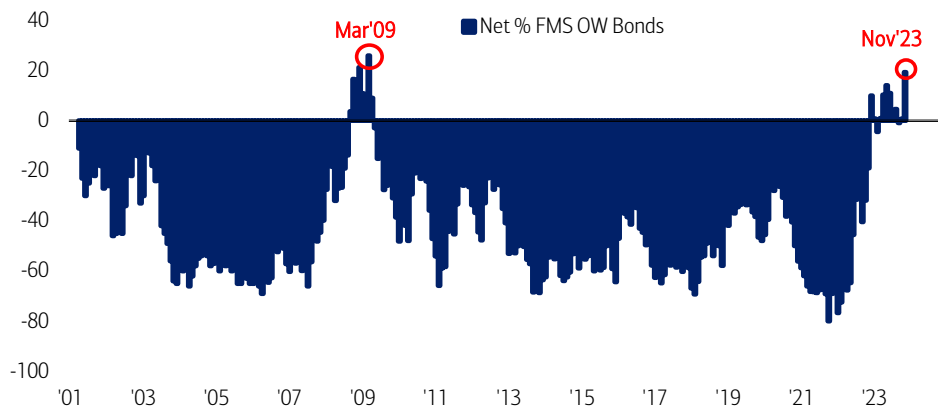
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Average cash balance fell 55bps from 5.3% to 4.7% (lowest since Nov'21), the largest monthly drop since Jan'23.

FMS cash level falls <5.0% ending the BofA Global FMS Cash Rule's “buy” signal after just one month.

Chart 4: FMS investors most OW bonds since the GFC

Net % overweight bonds



Source: BofA Global Fund Manager Survey

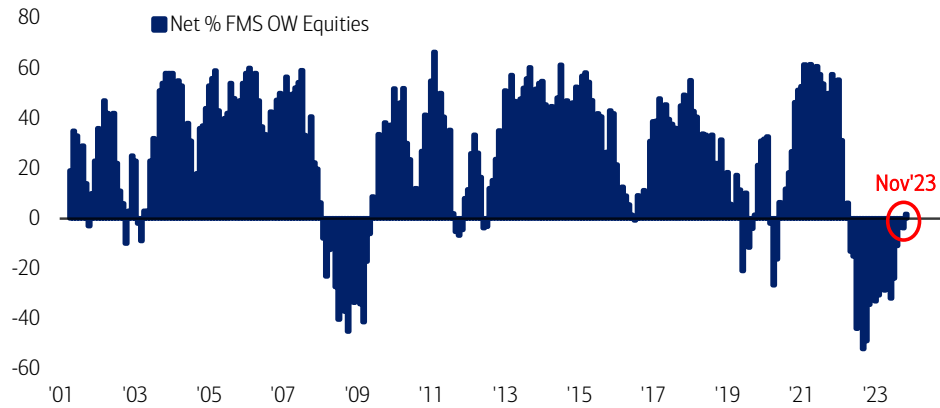
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The big change in the November FMS was not the macro outlook, but rather the conviction in lower inflation, rates, and yields...

...as evidenced by the 3rd largest overweight in bonds in the last two decades (only in Mar'09 and Dec'08 were investors more overweight bonds).

Chart 5: FMS investors overweight equities for the 1st time since Apr'22

Net % overweight equities



Source: BofA Global Fund Manager Survey

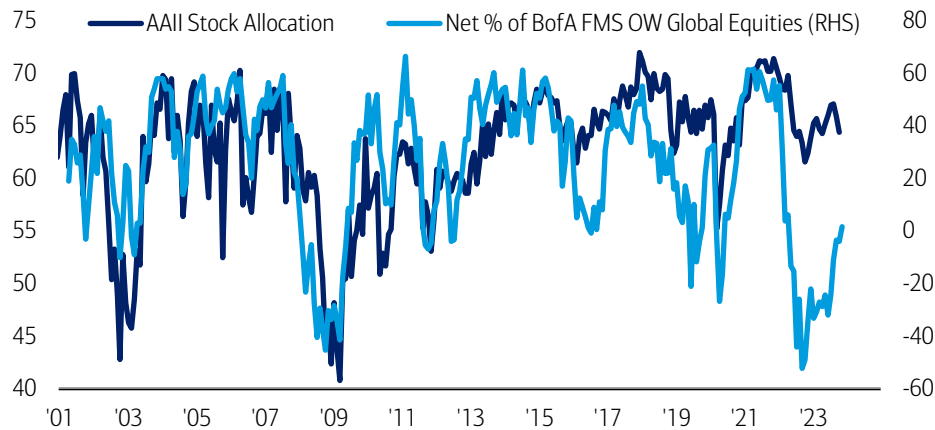
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A stable macro outlook and much more optimistic view on rates has taken FMS investors' equity allocation overweight for the 1st time since Apr'22.

FMS investors increased allocation to equities from net 4% underweight to net 2% overweight in November.

Chart 6: Institutional investors' stock allocation closing gap with individual investors' allocation

AAIL Stock Allocation vs Net % of BofA Global FMS Overweight Equities



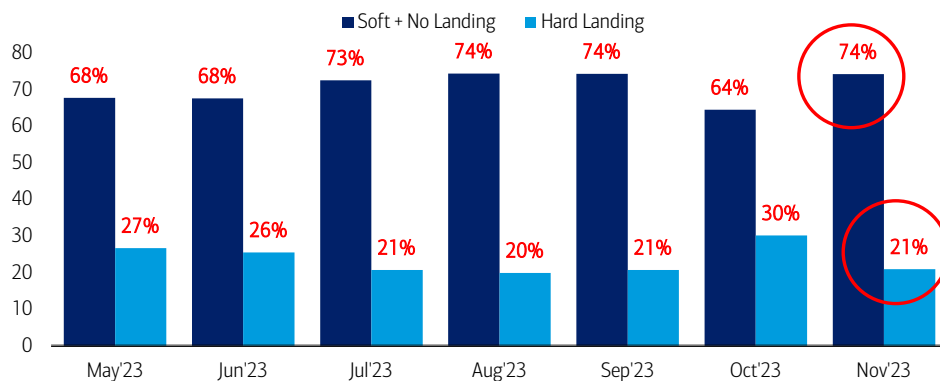
Source: BofA Global Fund Manager Survey, Bloomberg; AAIL = American Association of Individual Investors

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The gap between US individual investors' allocation to equities (64% OW) and FMS investors (net 2% OW) is now the narrowest since Feb'22.

Chart 7: "Soft/no" landing a solid consensus for 2024

What is the most likely outcome for the global economy in the next 12 months?



Source: BofA Global Fund Manager Survey

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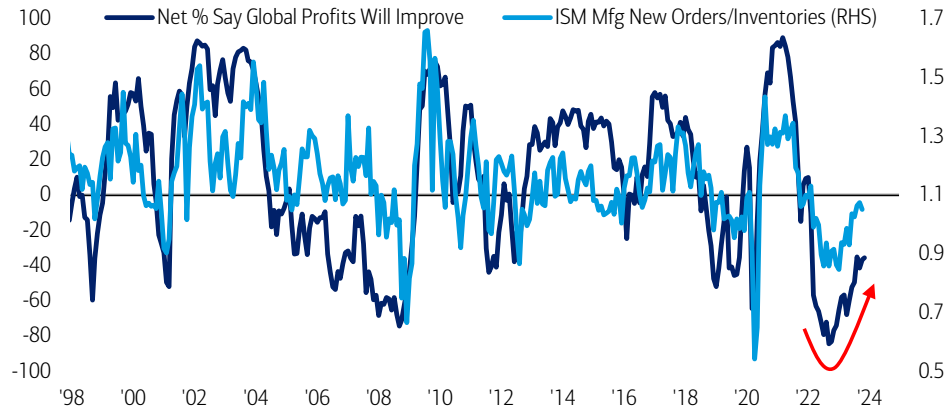
"Soft" + "no" landing expectations back to their summer high in November (74% vs 64% last month).

"Hard landing" fears easing at 21% (vs 30% in October).

2 out of 3 FMS investors see "soft" landing as their base case scenario for the global economy in 2024.

Chart 8: Profit outlook remains bearish but close to least pessimistic level since Feb'22

Net % say global profits will improve vs ISM manufacturing new orders/inventories



Source: BofA Global Fund Manager Survey, Bloomberg

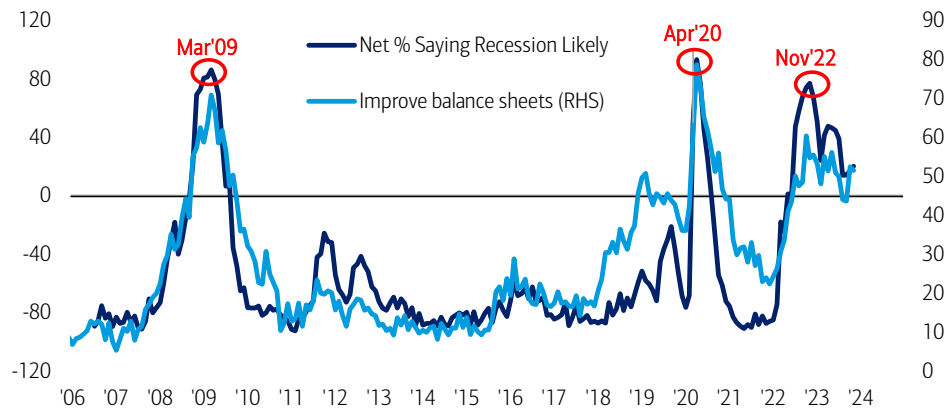
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Global profit expectations remain bearish but are now back near Aug'23 levels (which was the least bearish since Feb'22).

Note the leading indicator of ISM manufacturing new orders/inventories has been signalling PMIs to rise >50 – though it fell slightly in October.

Chart 9: CIOs want CEOs to improve balance sheets

Net % saying recession likely vs % wanting companies to improve balance sheets



Source: BofA Global Fund Manager Survey

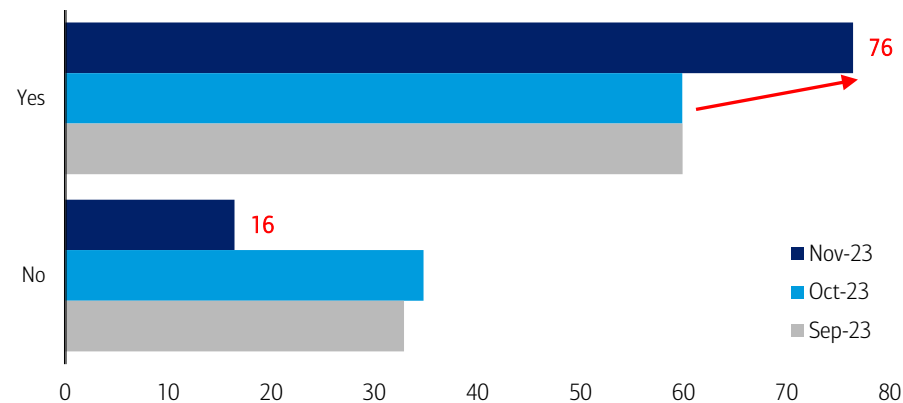
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52% of FMS investors still want CEOs to prioritize improving balance sheets (vs 21% say “increase capital spending” and 18% “return cash to shareholders”).

Strong focus on balance sheet improvement is often associated with elevated recession risk (see Mar'09 and Apr'20).

Chart 10: Big conviction Fed is “done”

Do you think the Fed has finished its rate hike cycle?



Source: BofA Global Fund Manager Survey

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The conviction of “peak Fed” is now the strongest since FMS investors began providing their view on timing of end of rate hiking cycle.

76% of FMS investors convinced Fed has finished its rate hike cycle, up from 60% in Oct, and highest since series began in May'23.

Chart 11: Just 6% of FMS investors expect higher short-term rates

% expecting higher short-term rates



Source: BofA Global Fund Manager Survey

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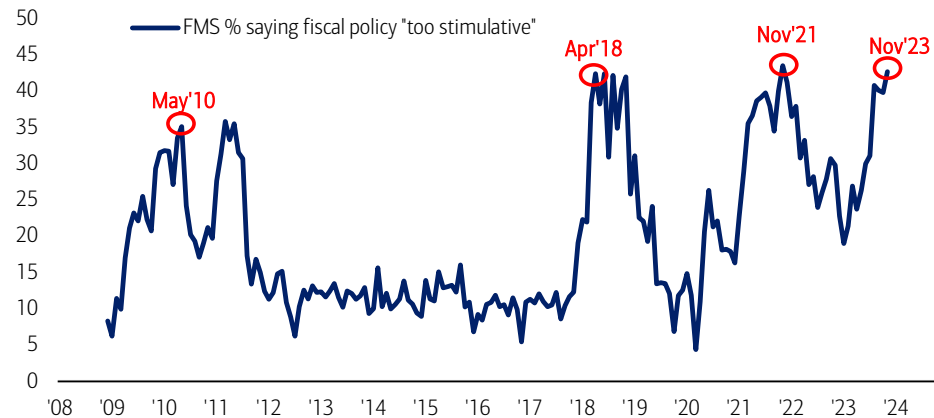
Consensus is for lower short-term rates and lower inflation, with expectations for both hovering near GFC highs...

...only 6% expect global CPI to inch *higher* in 2024 (3-month low) and just 6% expect *higher* short-term rates.

Also note a record 61% of FMS investors expect lower bond yields in 12 months' time (Chart 1).

Chart 12: FMS investors think fiscal policy is close to most "stimulative" level since 2009

% FMS investor say fiscal policy 'too stimulative'



Source: BofA Global Fund Manager Survey

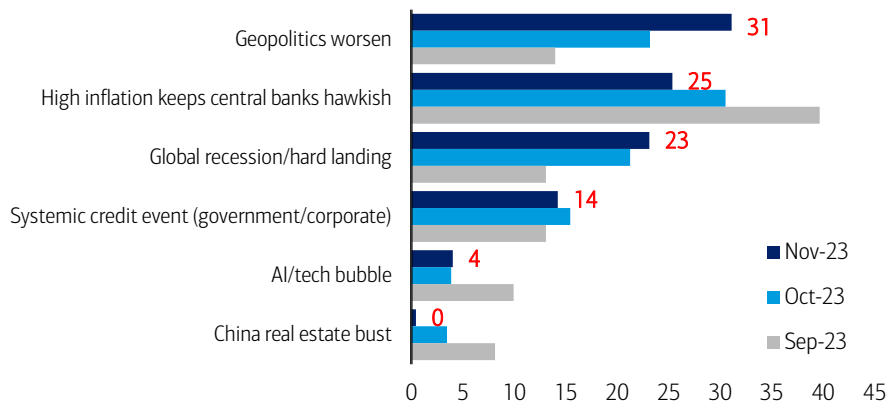
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Despite expectations for lower bond yields, 43% say fiscal policy is "too stimulative".

In the last 20 years, the only time a greater % of FMS investors said fiscal policy was "too stimulative" was in Nov'21.

Chart 13: Geopolitics becomes the #1 tail risk

What do you consider the biggest "tail risk"?



Source: BofA Global Fund Manager Survey

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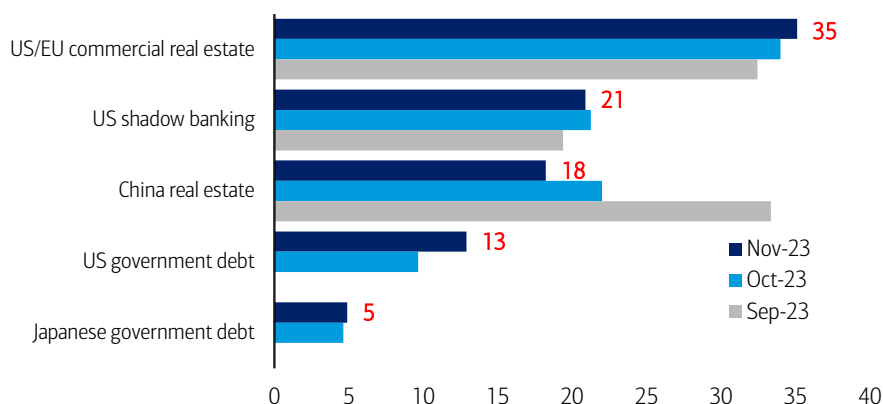
Worries about inflation and central banks is rapidly diminishing; in Jul'23 45% said "high inflation keeping central banks hawkish" was the #1 tail risk...now just 25%.

Meanwhile, geopolitical risk has jumped to 31% (vs just 14% in Sep'23).

"Hard landing" risk also creeping up at 23% (vs 13% in Sep'23).

Chart 14: Over 1 in 3 continue to see CRE as the most likely source for a credit event

What is the most likely source for a systemic credit event?



Source: BofA Global Fund Manager Survey

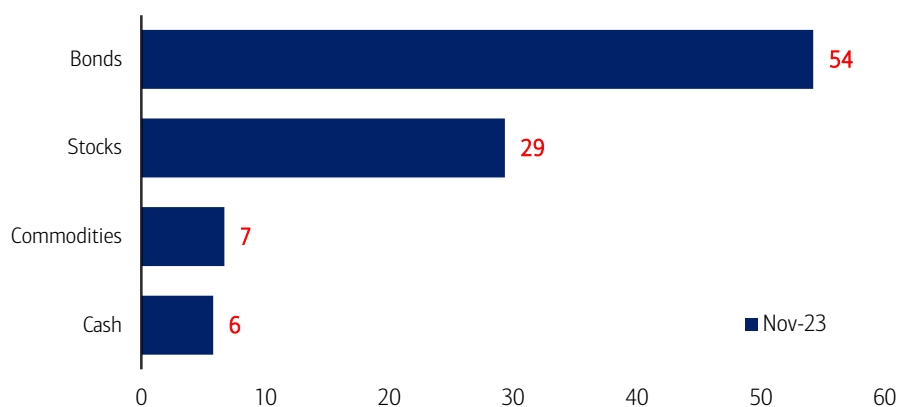
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US/EU commercial real estate still viewed as #1 most likely source for a credit event.

Note US shadow banking system rises to #2 most likely source for a credit event as China real estate retreats further to 18% (vs 22% in October and was the #1 most likely source for a credit event in September FMS).

Chart 15: FMS investors see bonds as best performing asset class in 2024

Which asset class do you expect to perform best in 2024?



Source: BofA Global Fund Manager Survey

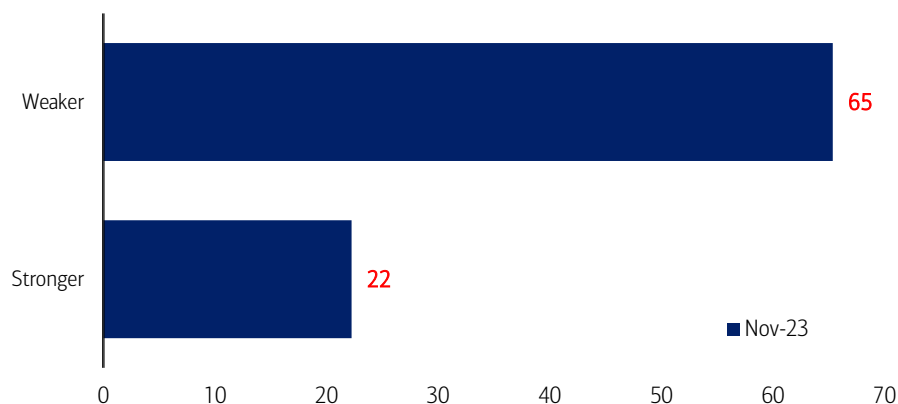
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FMS investors expect bonds to be the best performing asset class in 2024.

Note 94% of FMS investors expect bonds, stocks, and commodities to outperform cash next year.

Chart 16: FMS investors expect a weaker US dollar in 2024

Which are your expectations for the US dollar in 2024?



Source: BofA Global Fund Manager Survey

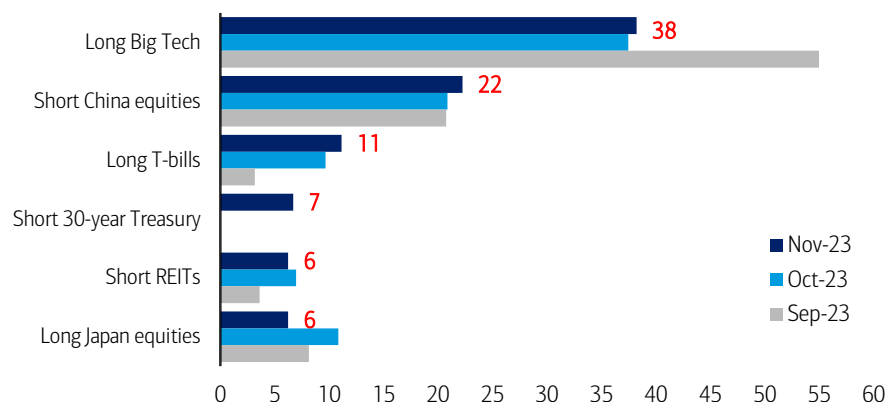
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65% of FMS investors expect the US dollar to weaken in 2024.

Note the US dollar has gained 2.1% in 2023, 8.2% in 2022, 6.4% in 2021.

Chart 17: “Long Big Tech” the most crowded trade

What do you think is currently the most crowded trade?



Source: BofA Global Fund Manager Survey

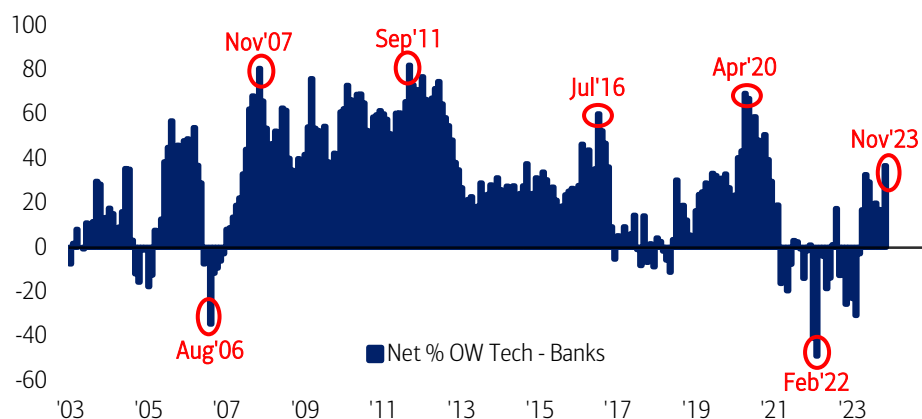
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The most crowded trade in Nov'23:

1. Long Big Tech 38%
2. Short China equities 22%
3. Long T-bills 11%
4. Short 30-year Treasury 7%
5. Short REITs 6%
6. Long Japan equities 6%

Chart 18: FMS investors are tech ‘bulls’, bank ‘bears’

Net % overweight tech – Net % overweight banks



Source: BofA Global Fund Manager Survey

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FMS investors are most OW tech relative to banks since Nov'20 (Covid vaccine).

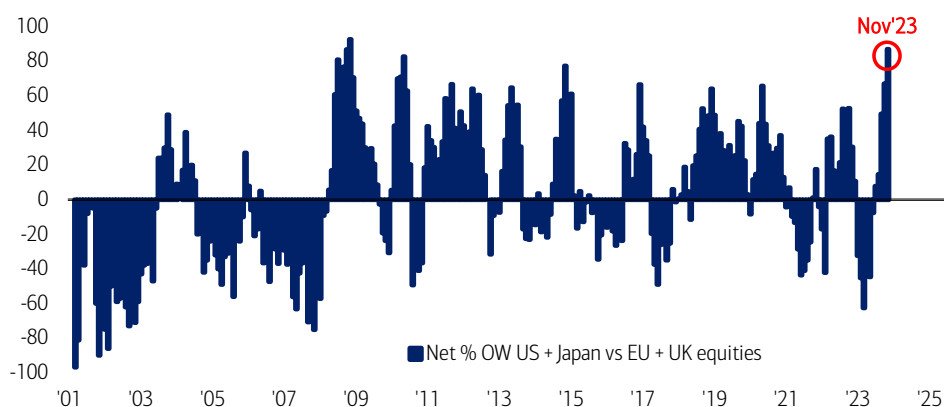
Investors bought tech stocks at the fastest pace since May'23 (+12ppt MoM) and are now the most OW since Nov'21 (net 27% OW).

FMS investors took down their allocation to bank stocks from net 2% UW to net 10% UW.

The most contrarian trade of 2024 is “long leverage, short quality”.

Chart 19: FMS investors are most OW US & Japan relative to Eurozone & UK since the GFC

Net % overweight US + Japan equities – Net % overweight Eurozone + UK equities



Source: BofA Global Fund Manager Survey

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November FMS saw investors increase allocation to US & Japanese equities and decrease allocation to Eurozone & UK equities.

Investors are most OW Japanese equities since Mar'18 (net 23% OW) and most OW US equities since Apr'22 (net 11% OW).

The relative overweight in US + Japan equities vs Eurozone + UK equities is the largest since Nov'08.

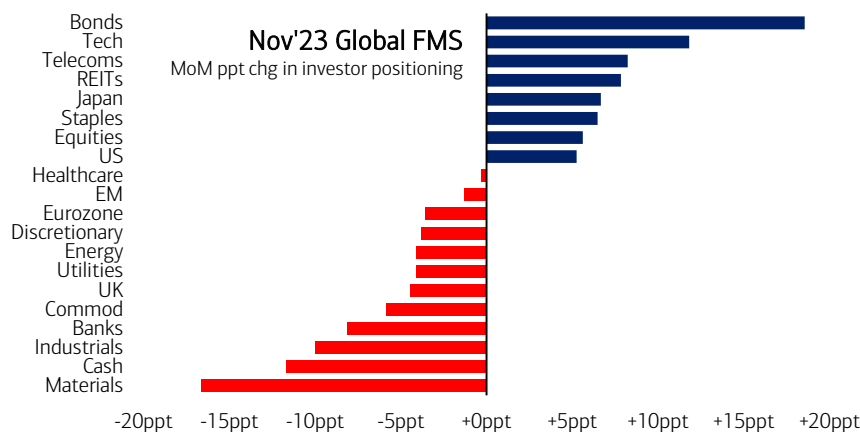
Chart 20: Nov FMS into bonds, tech, telecoms and out of materials, cash, industrials

November FMS MoM ppt change in positioning

This chart shows FMS investor changes MoM in allocation.

In November, FMS investors rotated into bonds, tech, telecom, and REITs...

...and out of materials, industrials, banks, commodities, and UK equities.



Source: BofA Global Fund Manager Survey

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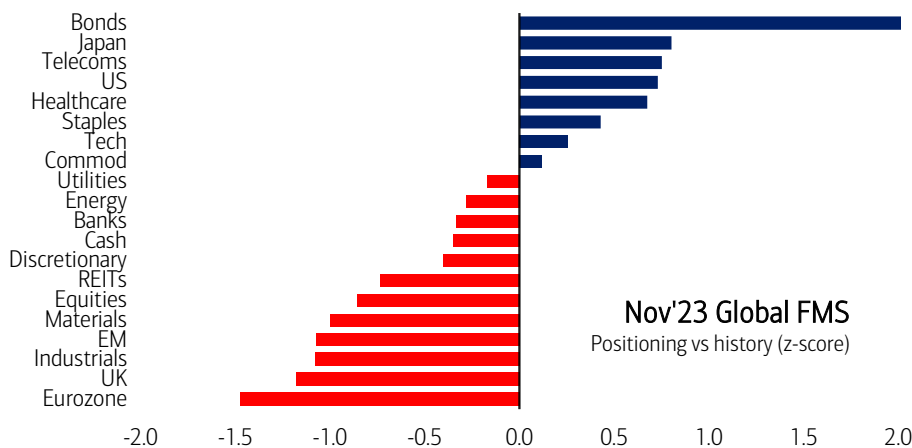
Chart 21: FMS overweight bonds, Japan, telecom, and US relative to history

FMS positioning vs history (z-score)

This chart shows FMS investor positioning relative to the average positioning of the past 20 years.

Relative to history, investors are long bonds, bonds, Japan, telecom, and US...

...and are underweight Eurozone, UK, industrials, and EM.



Source: BofA Global Fund Manager Survey

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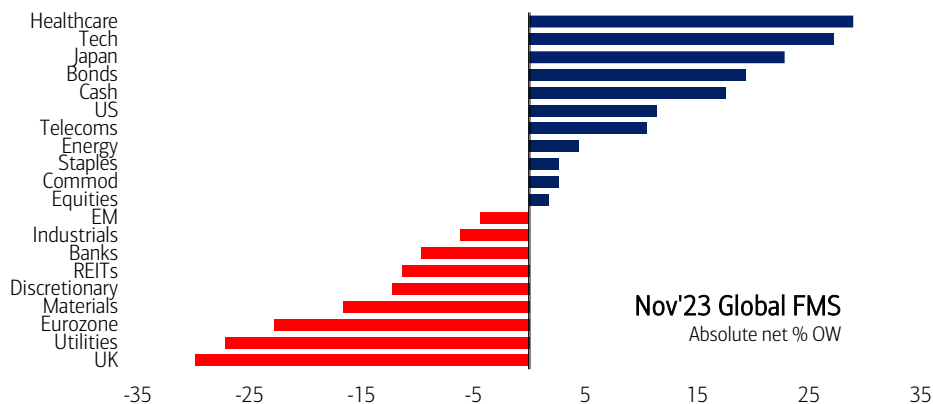
Chart 22: OW healthcare, tech, Japan, bonds; UW UK/EU, utilities, materials

FMS absolute net % overweight

This chart shows absolute FMS investor positioning (net %)...

Bullish: healthcare, tech, Japan, bonds, cash, US;

Bearish: UK, utilities, Eurozone, materials.



Source: BofA Global Fund Manager Survey

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Chart 23: Evolution of Global FMS “biggest tail risk”

History of Global FMS “biggest tail risk” answers



Source: BofA Global Fund Manager Survey

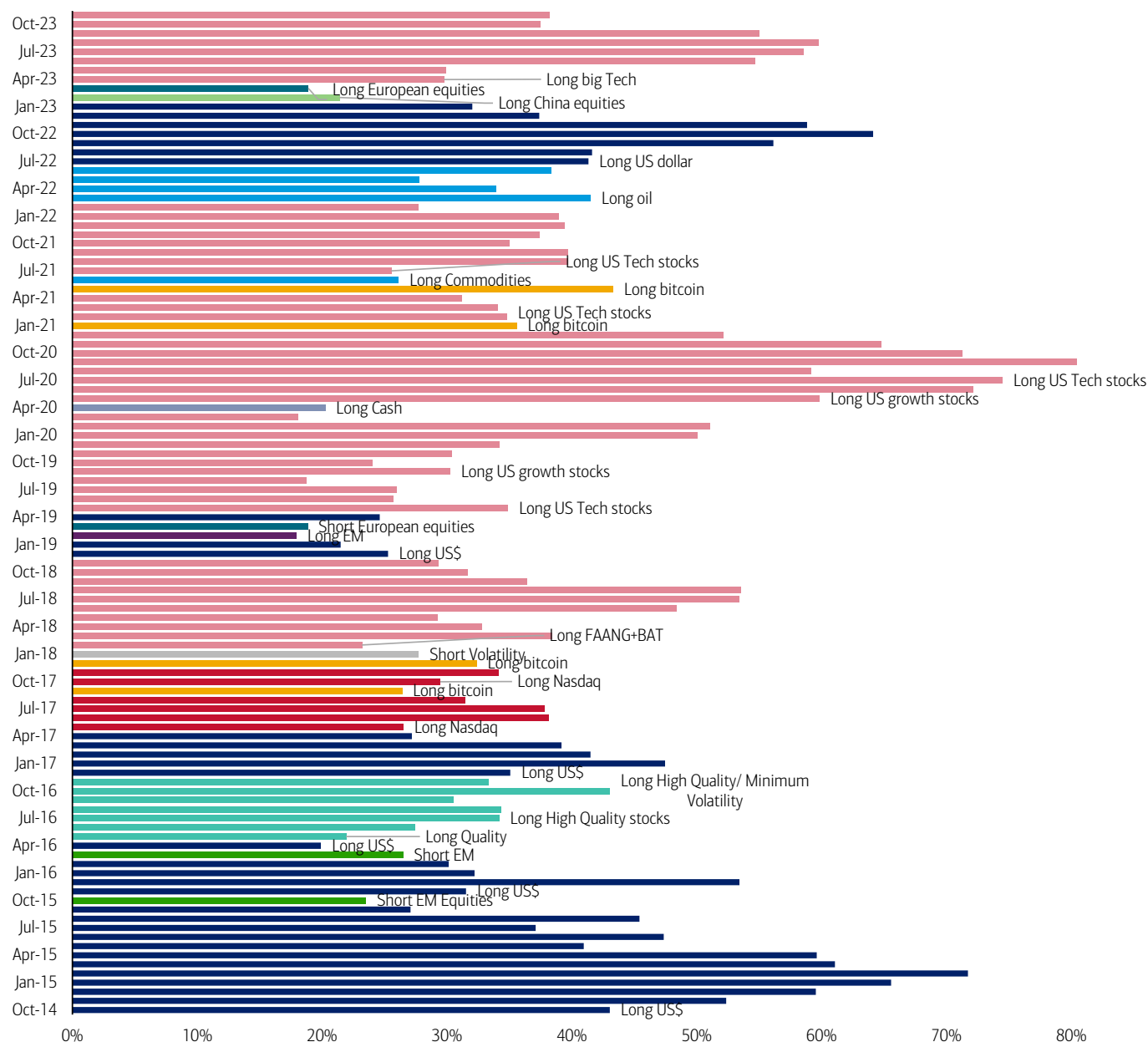
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- This chart shows the full history of the biggest “tail risk” for markets from BofA’s monthly Global Fund Manager Survey.
- The dominant concerns of investors since 2011 have been Eurozone debt & potential breakdown; Chinese growth; populism, quantitative tightening & trade wars, global coronavirus; now inflation/bond tantrum and central bank rate hikes.
- Geopolitics worsen the top “tail risk” at 31% of FMS investors; #2 High inflation keeps central banks hawkish, #3 global recession/hard landing.



Chart 24: Evolution of Global FMS “most crowded trade”

History of Global FMS “most crowded trade” answers



Source: BofA Global Fund Manager Survey

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- This chart shows the full history of the most “crowded trade” according to BofA’s monthly Global Fund Manager Survey.
- The market leadership has been relatively narrow since 2013, shifting from high yielding debt; long US\$; long Quality; long Tech; long Emerging Markets; long US Treasuries, long US tech & growth stocks, long Bitcoin, long commodities, long tech, long commodities, long US dollar.
- Long Big Tech is the most crowded trade (38%) followed by #2 Short China equities, #3 Long T-bills, #4 Short 30-year Treasury.

BofA Global FMS Rules & Tools

The Global FMS Rules & Tools are designed to help investors determine risk appetite, rotation opportunities, and tactical entry points.

Table 1: BofA Global FMS Cash Rule and Bull & Bear Indicator

Current reading of BofA Global FMS Cash Rule and Bull & Bear Indicator

	Category	Current reading	Current signal
BofA Global FMS Cash Rule	Contrarian	4.7%	Neutral
Buy global equities when cash at or above 5.0%; sell when cash at or below 4.0%			
BofA Bull & Bear Indicator	Contrarian	1.6	Buy
Buy global equities when the indicator falls below 2.0; sell when it rises above 8.0			

Source: BofA Global Investment Strategy

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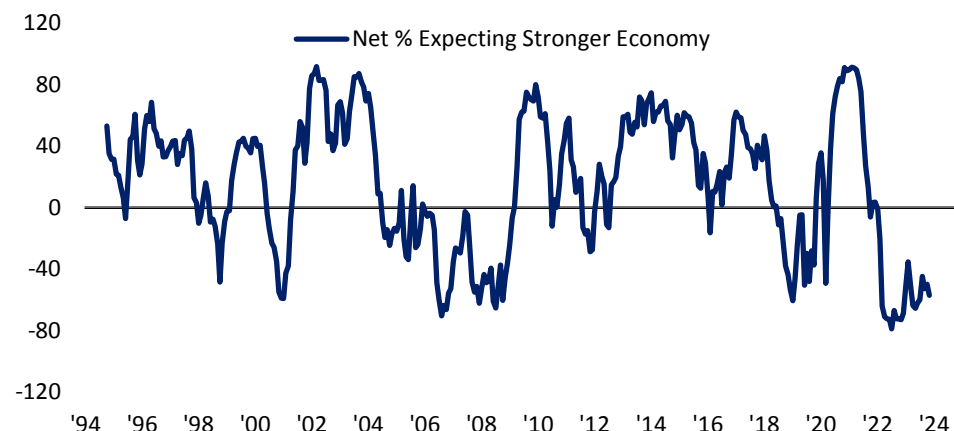
Disclaimer: The indicators identified as BofA Global FMS Cash Rule and BofA Bull & Bear Indicator above are intended to be indicative metrics only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. These indicators were not created to act as a benchmark.

For full details please see: Global Investment Strategy: [The BofA Global FMS Rules & Tools, 12 November 2020](#).

Investors on the Macro

Chart 25: Net % of FMS investors who see a stronger global economy in next 12 months

Net % of FMS investors expecting stronger economy



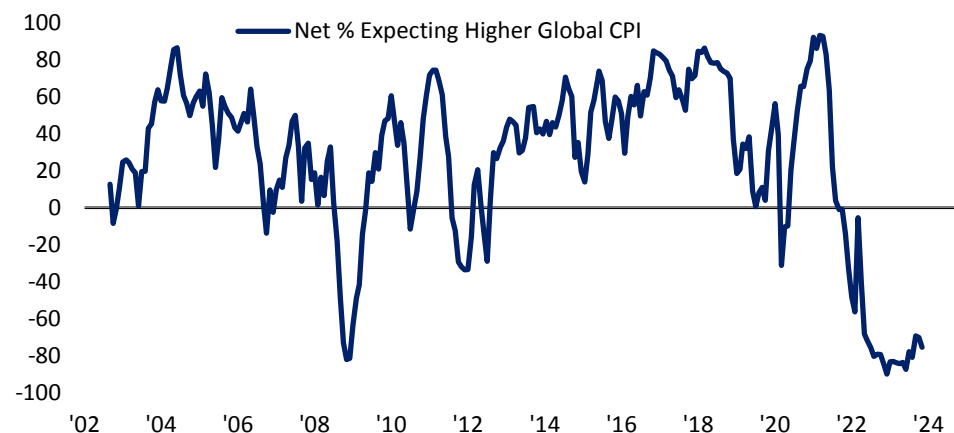
Source: BofA Global Fund Manager Survey

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November FMS showed net 57% of investors expect a weaker economy in next 12 months, up 7ppt MoM.

Chart 26: Net % of FMS investors that think global CPI (in YoY terms) will be higher

Net % of FMS investors expecting higher inflation



Source: BofA Global Fund Manager Survey.

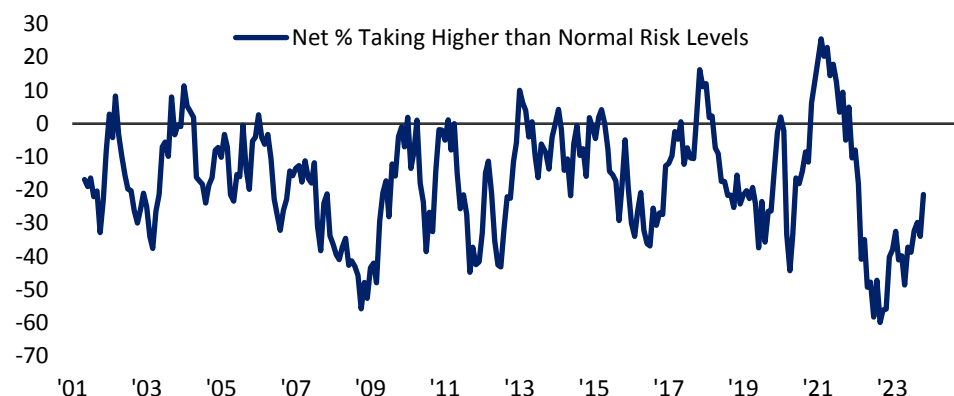
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Net 76% of FMS investors expect lower global CPI in the next 12 months, up 6ppt MoM.

Investor Risk Appetite

Chart 27: Level of risk that investors are currently taking in their investments

Net% of FMS investors taking higher than normal risk levels



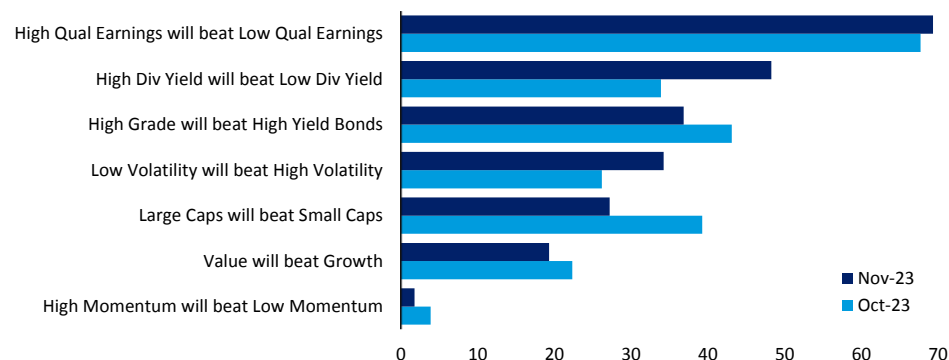
Source: BofA Global Fund Manager Survey

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Net 21% of FMS investors say they are currently taking lower-than-normal risk levels, down 13ppt MoM to the lowest since Feb'22.

Chart 28: Expectations for investment performance over the next 12 months

Over the next 12 months, net % FMS investors think...



Source: BofA Global Fund Manager Survey

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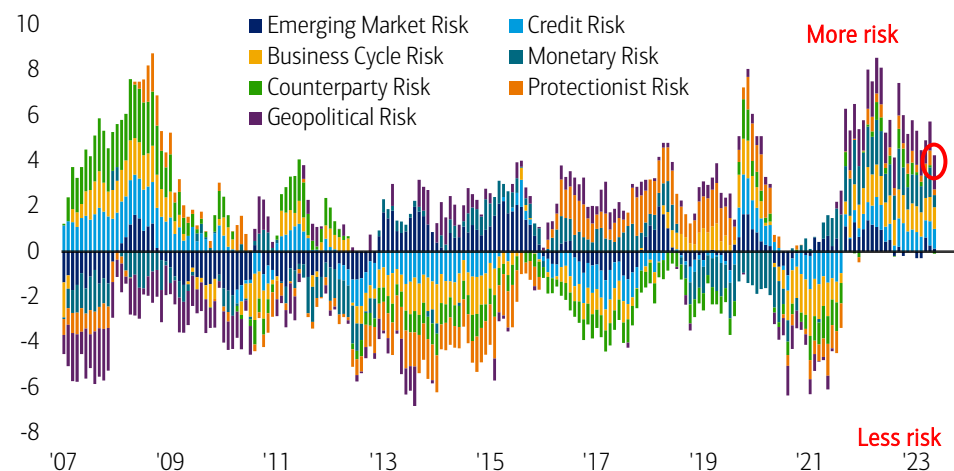
FMS investors continue to favor high-quality earnings for stocks (up 2ppt to net 69%) and high-quality bonds (net 37% say high-grade > high-yield). That said, they were more willing to take on risk in bonds in November (preference for HY up 6ppt).

More investors prefer high dividend-yielding stocks, up 14ppt MoM to net 48%.

While investors still say large > small, they increasingly favored small caps in November (up 12ppt MoM).

Chart 29: FMS Financial Market Stability Risks Indicator drops to 4.2

FMS Financial Market Stability Risks Indicator vs S&P 500 YoY %



Source: BofA Global Fund Manager Survey, Bloomberg

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FMS Financial Market Stability Risks Indicator drops to 4.2 from 5.7.

The FMS Financial Market Stability Risks Indicator is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. The FMS Financial Market Stability Risks Indicator was not created to act as a benchmark.

More info and methodology on the FMS Financial Market Stability Risks Indicator can be found in the [Nov'22 Global FMS](#).

Investors on EPS & Leverage

Chart 30: Net % of FMS investors that think global corporate profit growth will improve

Net % of FMS investors saying global profits will improve



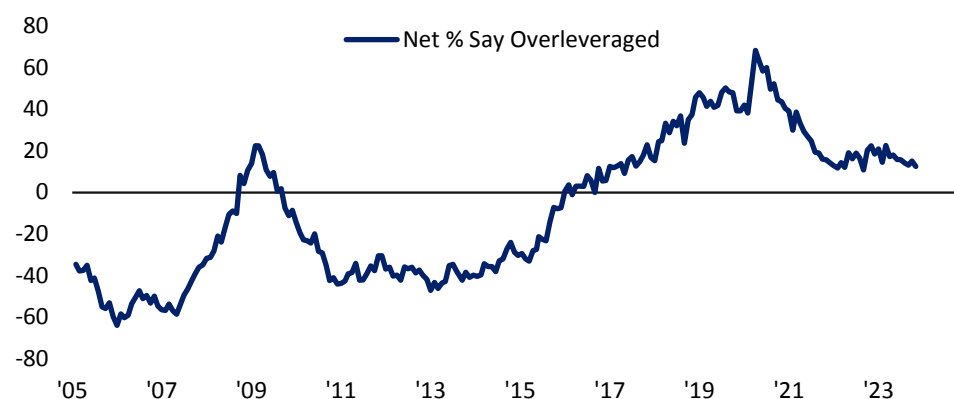
Source: BofA Global Fund Manager Survey

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Net 36% of investors think profits will worsen in next 12 months, down 1ppt MoM.

Chart 31: Net % of FMS investors that think corporate balance sheets are overleveraged

Net% of FMS investors saying companies are overleveraged



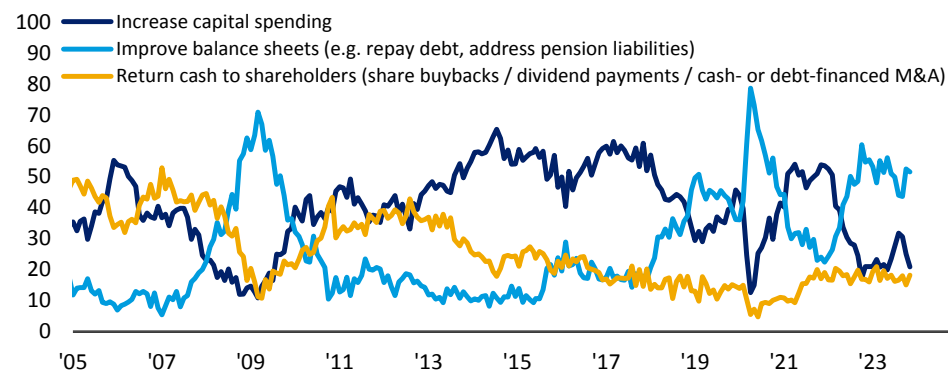
Source: BofA Global Fund Manager Survey

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The net percentage of FMS investors saying companies are overleveraged was down 3ppt MoM to net 12%.

Chart 32: What would you most like to see companies do with cash flow?

What FMS investors would most like to see companies do with cash flow



Source: BofA Global Fund Manager Survey

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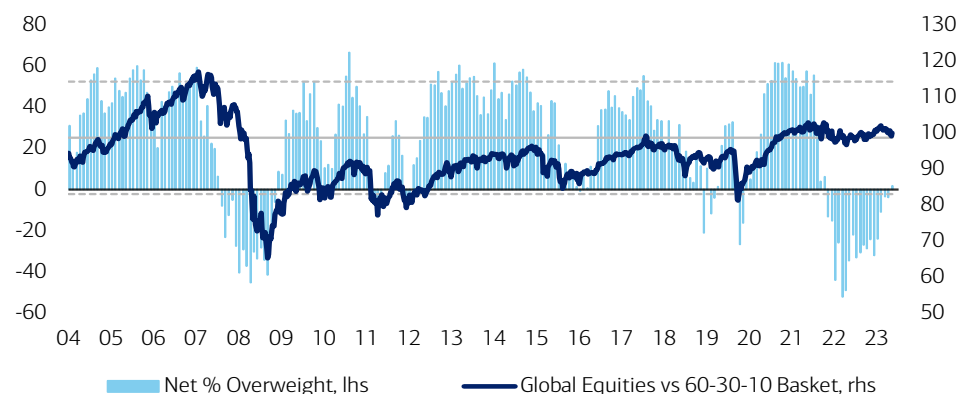
52% of FMS investors want corporates to improve balance sheets (down 1ppt MoM) over increasing capital spending (21%, down 4ppt MoM) or returning cash to shareholders (18%, up 3ppt MoM).

Investors are becoming more cautious on spending: Just 21% of investors want corporates to increase capex, down 10ppt from two months ago to the lowest since May'23.

FMS Asset Allocation

Chart 33: Net % AA Say they are overweight Equities

Net% of FMS investors overweight equities



Source: BofA Global Fund Manager Survey, Datastream

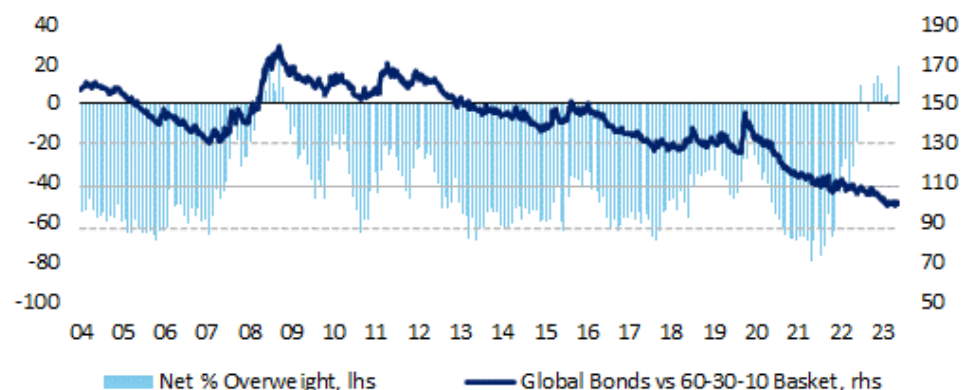
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FMS equity allocation jumped 6ppt MoM to net 2% overweight. November was the first month that FMS investors have been OW equities since Apr'22.

Current allocation is 0.9 stdev below its long-term average.

Chart 34: Net % AA Say they are overweight Bonds

Net% of FMS investors overweight bonds



Source: BofA Global Fund Manager Survey, Datastream

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FMS investors' bond allocation spiked up 18ppt MoM to net 19% overweight.

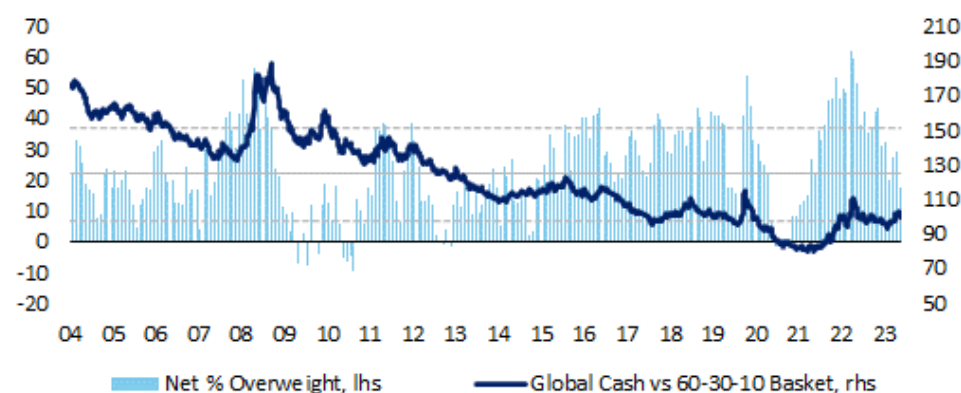
This is the highest allocation to bonds since Mar'09.

Investors have been overweight bonds for all but two months this year.

Current allocation is 2.8 stdev above its long-term average.

Chart 35: Net % AA Say they are overweight Cash

Net% of FMS investors overweight cash



Source: BofA Global Fund Manager Survey, Datastream

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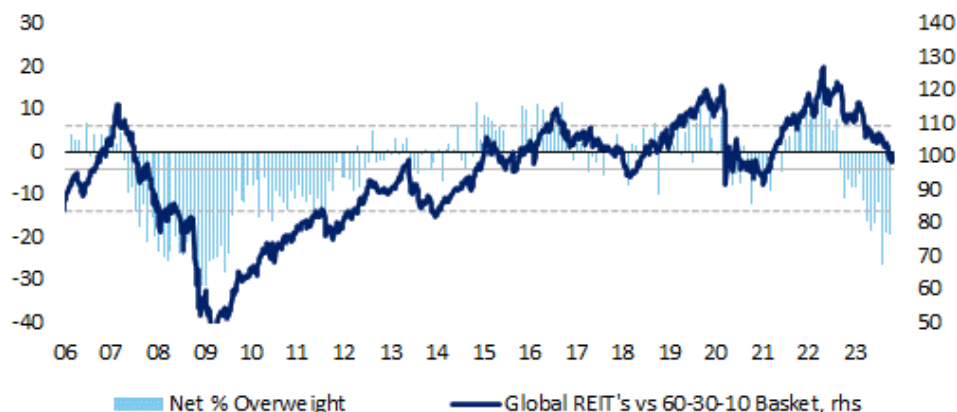
FMS cash allocation fell 11ppt MoM to net 18% overweight.

This is the lowest allocation to cash since Sep'21.

Current allocation is 0.3 stdev below its long-term average.

Chart 36: Net % AA Say they are overweight Real Estate

Net% of FMS investors overweight Real Estate



Source: BofA Global Fund Manager Survey, Datastream

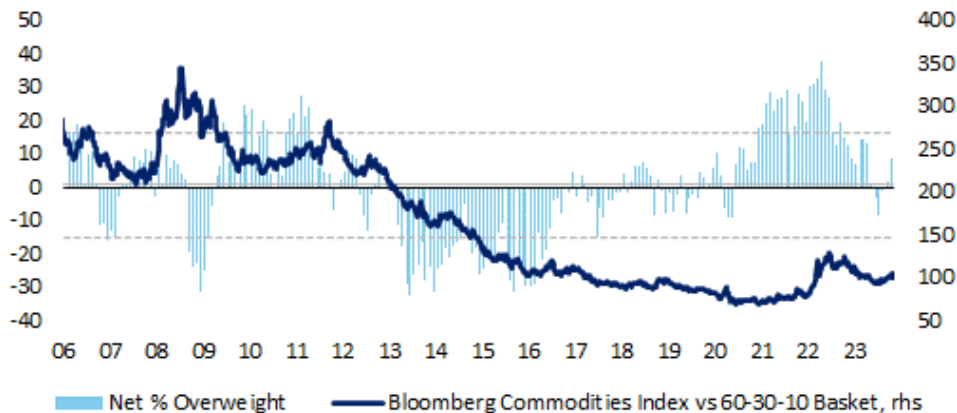
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Allocation to real estate increased 8ppt to net 11% underweight, highest allocation since Feb'23.

Current allocation is 0.7 stdev below its long term average.

Chart 37: Net % AA Say they are overweight Commodities

Net% of FMS investors overweight commodities



Source: BofA Global Fund Manager Survey, Datastream.

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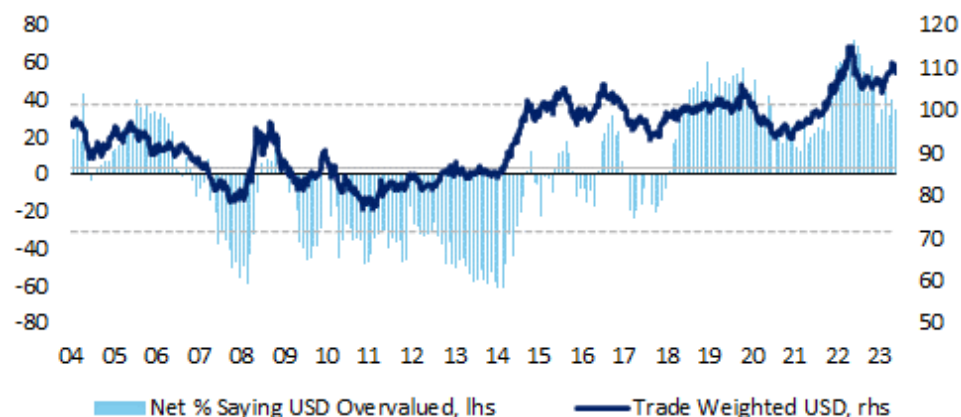
Allocation to commodities was down 5ppt MoM to net 3% overweight.

Current allocation is 0.1 stdev above its long-term average.

Currencies extremes

Chart 38: USD Valuation and Trade weighted index

Net% of FMS investors saying USD overvalued



Source: BofA Global Fund Manager Survey, Datastream

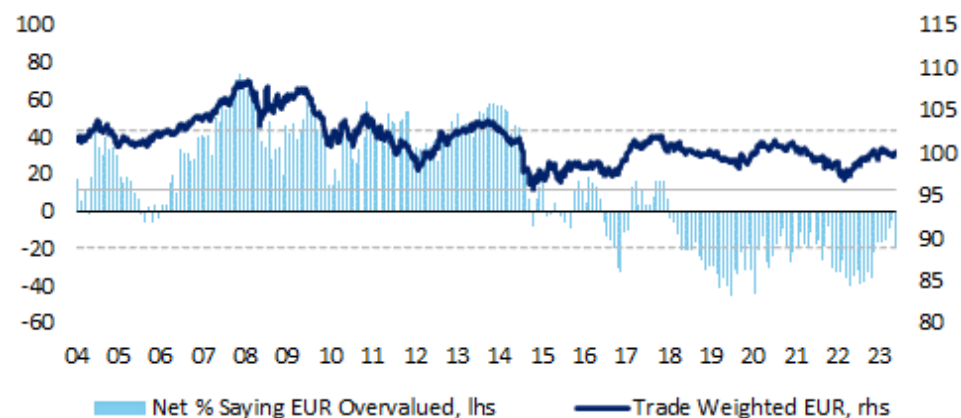
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FMS investors saying the US\$ is overvalued was down 5ppt MoM to net 35%.

Current valuations are 1.5 stdev above the long-term average.

Chart 39: EUR valuation and Trade weighted index

Net% of FMS investors saying EUR overvalued



Source: BofA Global Fund Manager Survey, Datastream

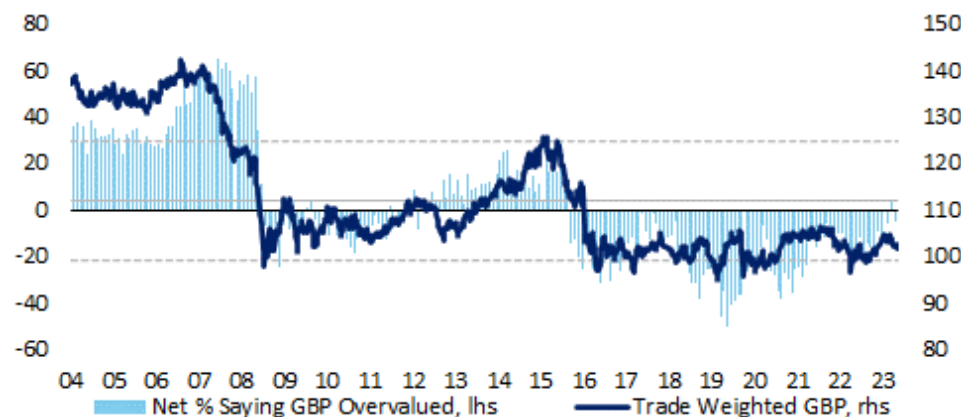
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FMS investors saying EUR is undervalued spiked up 14ppt to net 19%, highest since May'23.

Current valuations are 0.6 stdev below the long-term average.

Chart 40: GBP valuation and Trade weighted index

Net % of FMS investors saying GBP overvalued



Source: BofA Global Fund Manager Survey, Datastream

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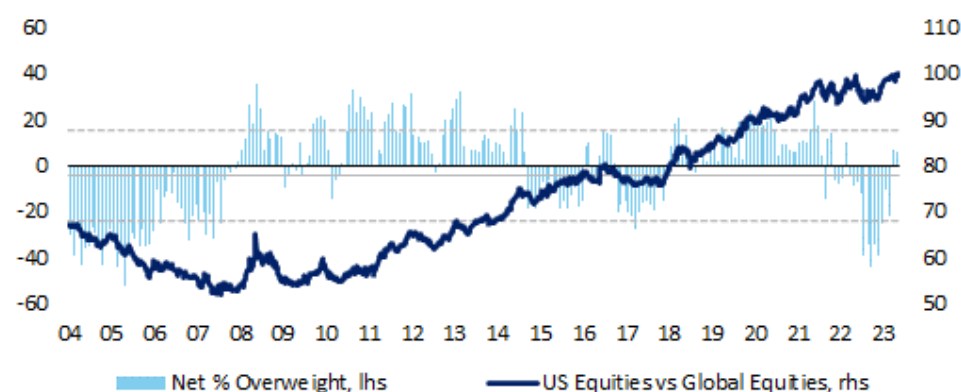
Net 6% of FMS investors think GBP is undervalued, up 1ppt MoM.

Current valuations are 0.9 stdev below the long-term average.

Investor Regional Equity Allocation

Chart 41: Net % AA Say they are overweight US Equities

Net% of FMS investors overweight US equities



Source: BofA Global Fund Manager Survey, Datastream

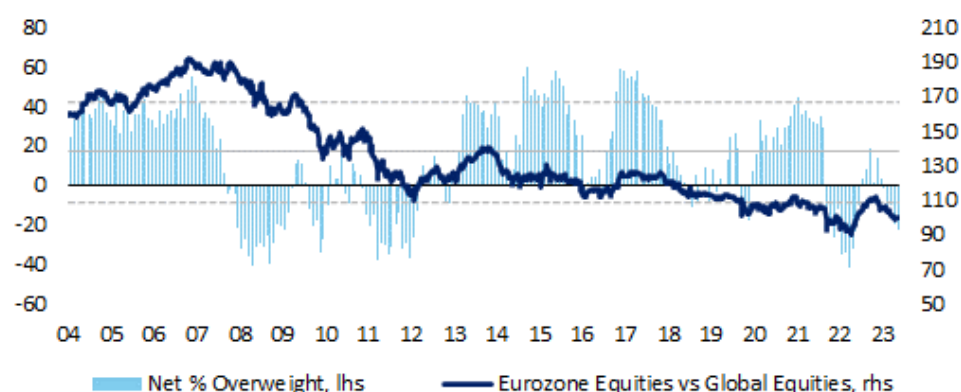
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Allocation to US equities jumped 5ppt MoM to net 11% overweight; this is the highest allocation since Apr'22.

Current allocation is 0.7 stdev above its long-term average.

Chart 42: Net % AA Say they are overweight Eurozone Equities

Net% of FMS investors overweight EU equities



Source: BofA Global Fund Manager Survey, Datastream

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Allocation to Eurozone equities fell 4ppt MoM to net 23% UW.

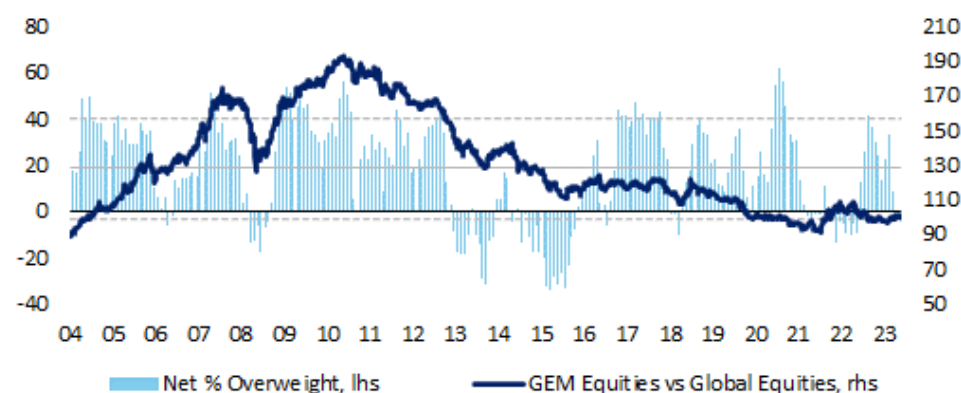
Eurozone equity allocation is the lowest since Nov'22.

In the last two months, allocation to Eurozone equities has fallen by 13ppt.

Current allocation is 1.5 stdev below its long-term average.

Chart 43: Net % AA Say they are overweight GEM Equities

Net% of FMS investors overweight EM equities



Source: BofA Global Fund Manager Survey, Datastream

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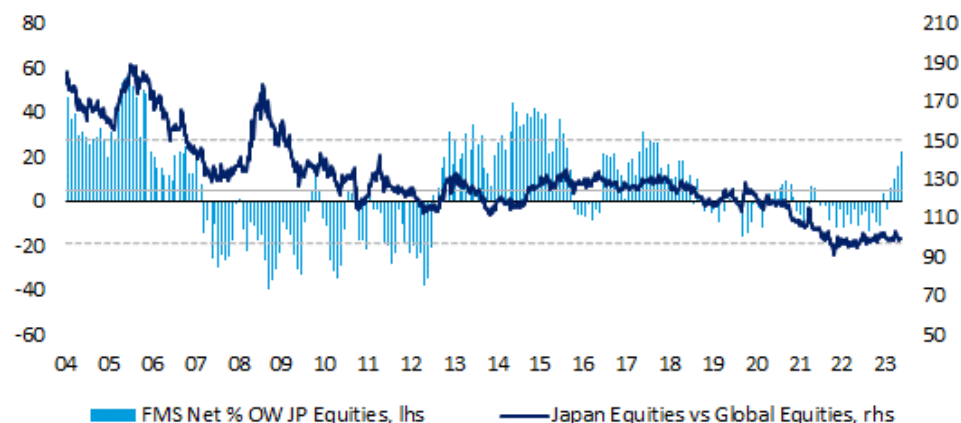
Allocation to EM equities ticked down 1ppt MoM to net 4% underweight, lowest since Nov'22.

In the last three months, EM equity allocation has declined 38ppt, the largest three-month decline since Jul'18.

Current allocation is 1.1 stdev below its long-term average.

Chart 44: Net % AA Say they are overweight Japanese Equities

Net% of FMS investors overweight Japanese equities



Source: BofA Global Fund Manager Survey, Datastream

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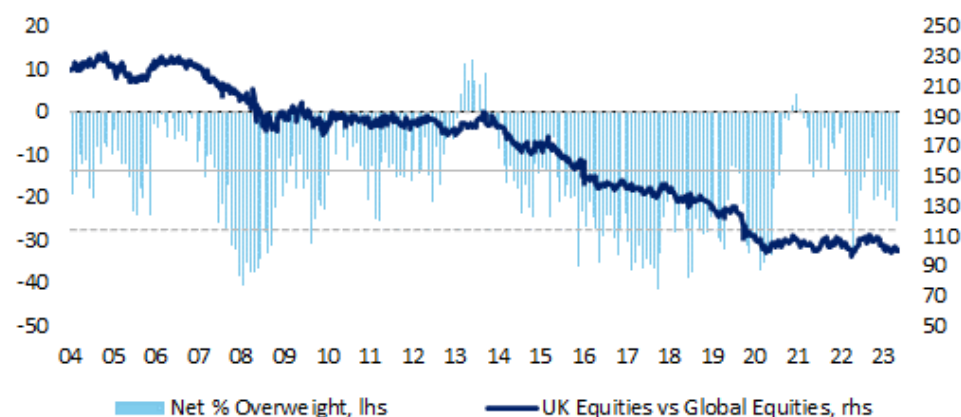
FMS allocation to Japanese equities jumped up 7ppt MoM to net 23% overweight, highest allocation since Mar'18.

Japanese equity allocation is up 34ppt since the low in May'23.

Current allocation is 0.8 stdev above its long-term average.

Chart 45: Net % AA Say they are overweight UK Equities

Net% of FMS investors overweight UK equities



Source: BofA Global Fund Manager Survey, Datastream

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FMS allocation to UK equities fell 5ppt MoM to net 30% underweight.

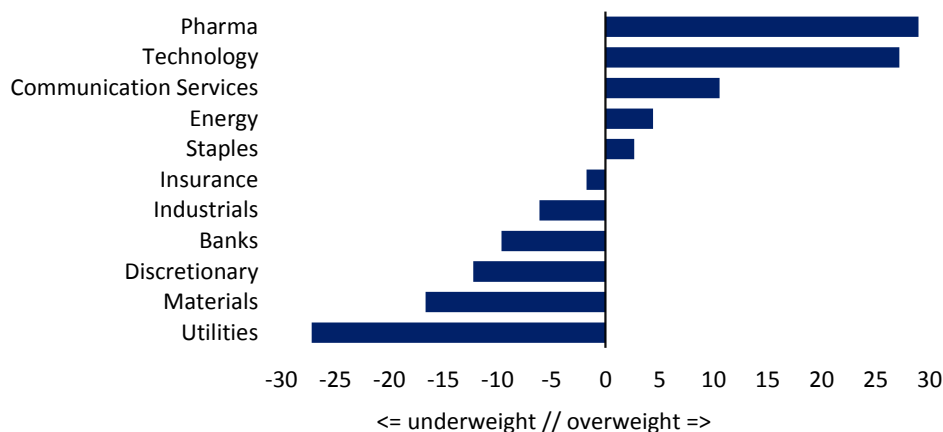
FMS investors are almost as UW on UK equities as they were during the UK pension crisis in Oct'22 (when they were 33% UW).

Current allocation is 1.2 stdev below its long-term average.

Investor Sector Allocation

Chart 46: Global Sector Sentiment

% saying overweight - % saying underweight



Source: BofA Global Fund Manager Survey

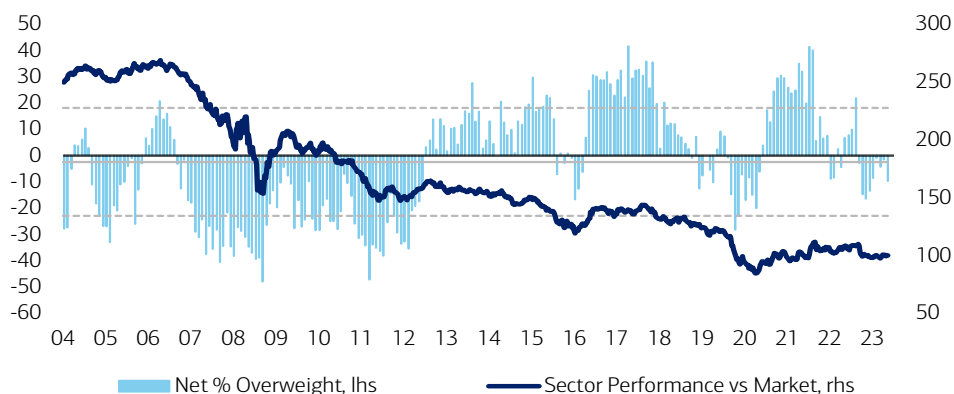
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November saw FMS investors buying into tech, telecom, and staples, and selling out of materials, industrials, and banks.

FMS investors are the most (net) overweight pharma, tech, and telecom, and the most (net) underweight utilities, materials, and discretionary.

Chart 47: Global Banks

Net % of FMS investors overweight banks



Source: BofA Global Fund Manager Survey, Datastream

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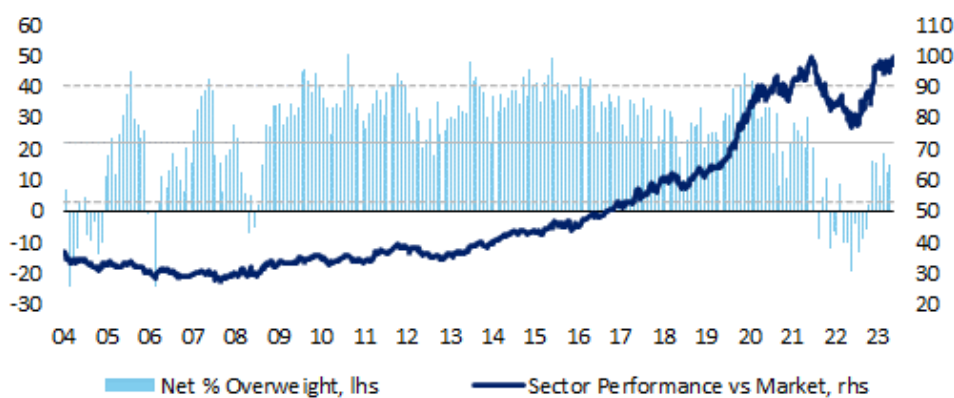
Allocation to banks dropped 8ppt MoM to net 10% underweight, lowest since Jun'23.

This was the largest monthly decline since the regional banking crisis (when allocation to bank stocks fell 25ppt in Mar'23, and then another 12ppt in Apr'23).

Current reading is 0.3 stdev below its long-term average.

Chart 48: Global Technology

Net % of FMS investors overweight technology



Source: BofA Global Fund Manager Survey, Datastream

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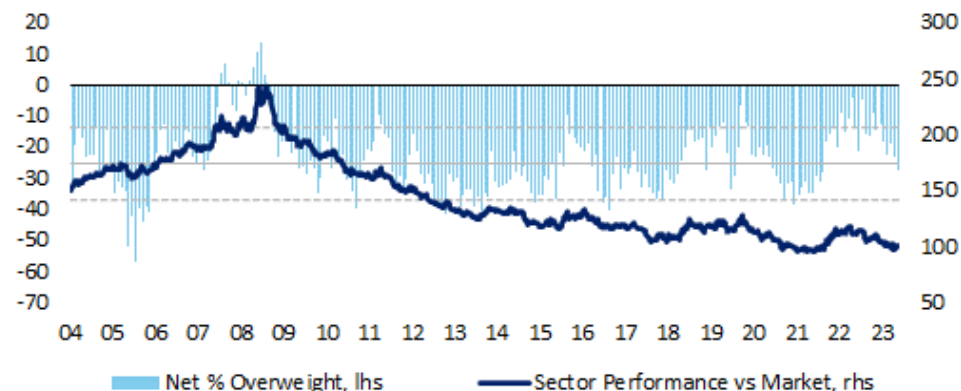
Allocation to technology jumped 12ppt MoM to net 27% overweight, highest since Nov'21.

FMS investors have been OW tech for the past 8 months.

Current reading is 0.3 stdev above its long-term average.

Chart 49: Global Utilities

Net % of FMS investors overweight utilities



Source: BofA Global Fund Manager Survey, Datastream

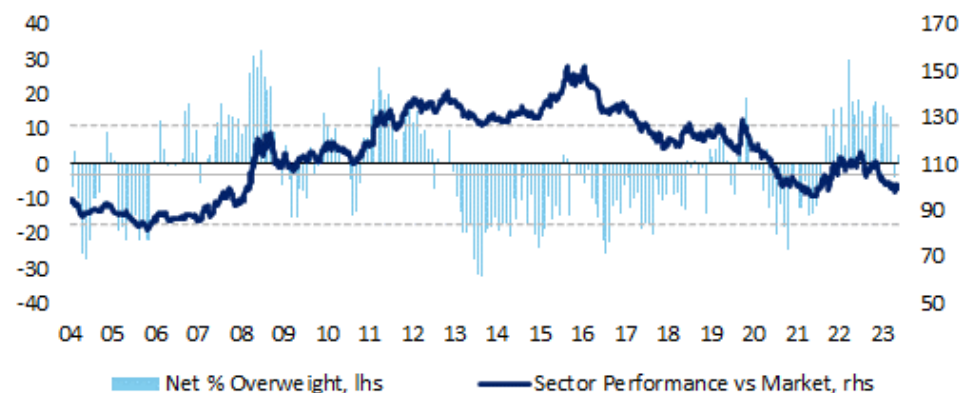
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Allocation to utilities fell 4ppt MoM to net 27% underweight, lowest since Feb'22.

Current reading is 0.2 stdev below its long-term average.

Chart 50: Global Consumer Staples

Net % of FMS investors overweight consumer staples



Source: BofA Global Fund Manager Survey, Datastream

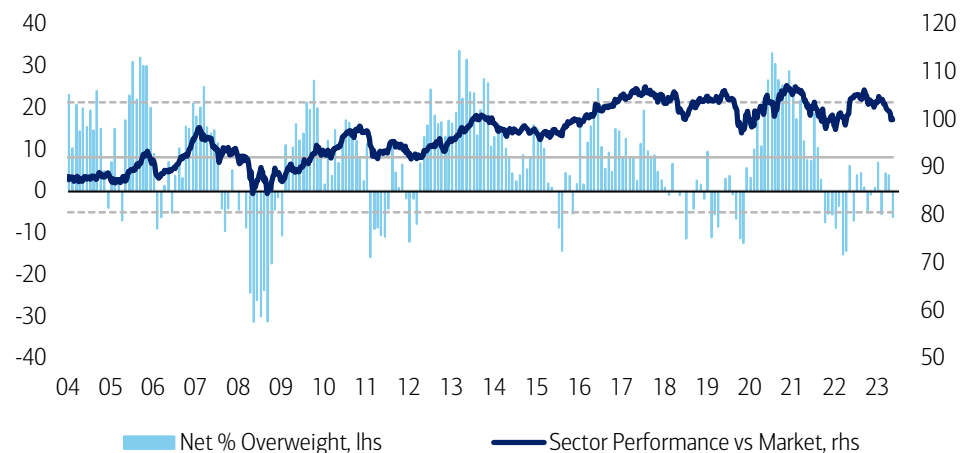
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Allocation to staples increased 7ppt MoM to net 3% overweight.

Current reading is 0.4 stdev above its long-term average.

Chart 51: Global Industrials

Net % of FMS investors overweight industrials



Source: BofA Global Fund Manager Survey, Datastream

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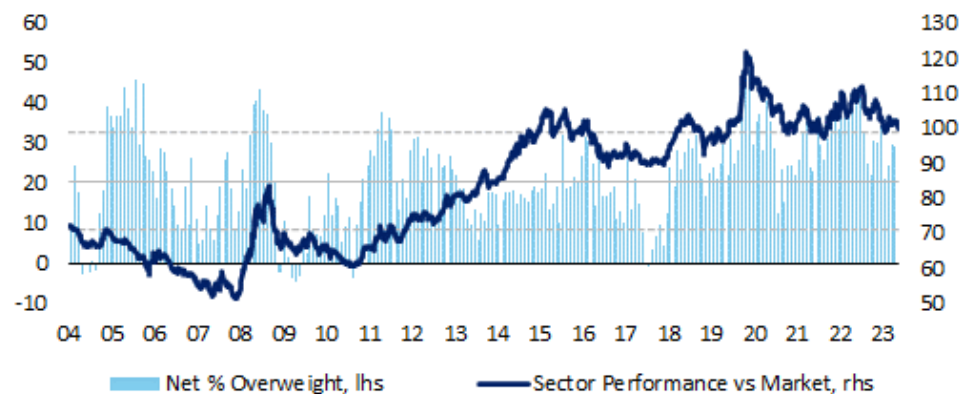
Allocation to industrials fell 10ppt MoM to net 6% underweight.

This is the lowest allocation to industrials of 2023.

Current reading is 1.1 stdev below its long-term average.

Chart 52: Global Healthcare

Net% of FMS investors overweight healthcare



Source: BofA Global Fund Manager Survey, Datastream

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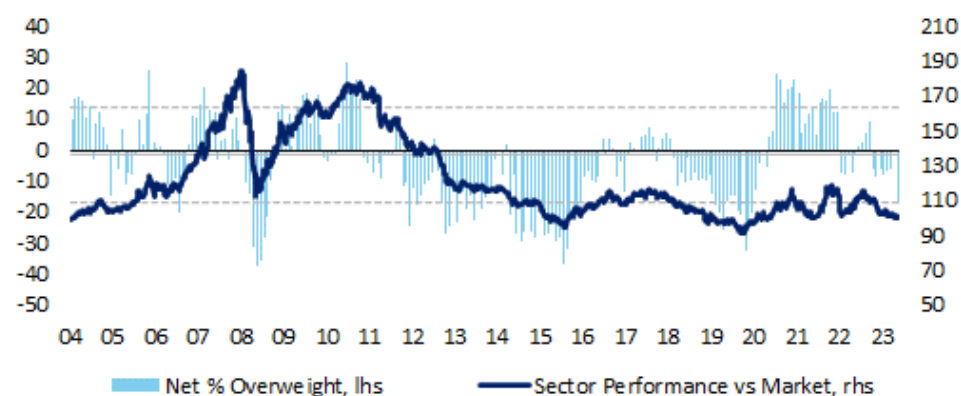
Allocation to healthcare was flat at net 29% overweight.

FMS investors have kept their net overweight on healthcare continuously since Jan'18.

Current reading is 0.7 stdev above its long-term average.

Chart 53: Global Materials

Net% of FMS investors overweight materials



Source: BofA Global Fund Manager Survey, Datastream

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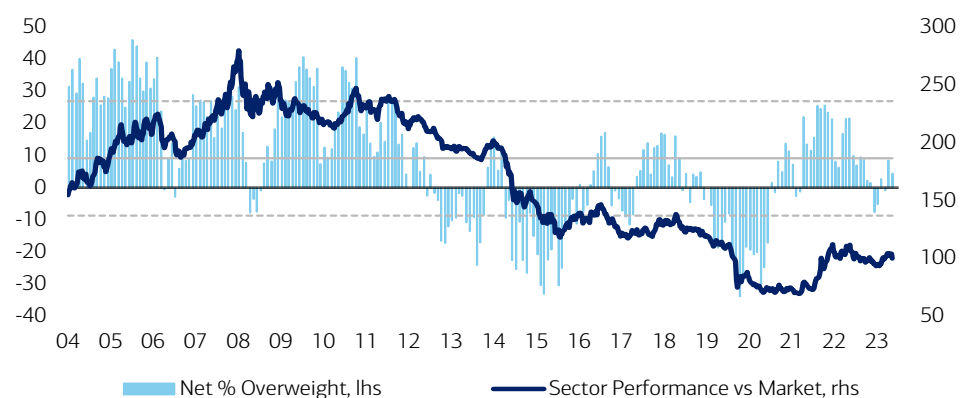
Allocation to materials collapsed 17ppt MoM to net 17% underweight.

This is the lowest allocation since Jun'20.

Current reading is 1.0 stdev below its long-term average.

Chart 54: Global Energy

Net% of FMS investors overweight energy



Source: BofA Global Fund Manager Survey, Datastream

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Allocation to energy was down 4ppt MoM to net 4% overweight.

Current reading is 0.3 stdev below its long-term average.

Global survey demographics data

Table 2: Position / Institution / Approach to Global Equity Strategy

Position / Institution / Approach to Global Equity Strategy

	Nov-23	Oct-23	Sep-23
Structure of the panel - by position			
Chief Investment Officer	39	41	35
Asset Allocator / Strategist / Economist	64	73	59
Portfolio Manager	108	133	113
Other	14	12	15
Structure of the Panel - by expertise			
Global Specialists Only	114	130	117
Regional Specialists With a Global View	111	129	105
Total # of Respondents to Global Questions	225	259	222

Which of the Following Best Describes the Type of Money You are Running?

Institutional funds (e.g. pension funds / insurance companies)	69	82	72
Hedge funds / proprietary trading desks	33	38	26
Mutual funds / unit trusts / investment trusts	85	99	88
None of the above	38	40	36

What Do You Estimate to be the Total Current Value of Assets Under Your Direct Control?

Up to \$250mn	44	42	39
Around \$500mn	32	42	29
Around \$1bn	38	42	32
Around \$2.5bn	26	37	34
Around \$5bn	19	18	13
Around \$7.5bn	5	5	4
Around \$10bn or more	29	37	38
No funds under my direct control	32	36	33
Total (USD bn)	553	664	616

What best describes your investment time horizon at this moment?

3 months or less	73	83	65
6 months	59	71	58
9 months	22	22	23
12 months or more	67	78	72
Weighted average	7.1	7.1	7.4
Don't know	4	5	4

Source: BofA Global Fund Manager Survey

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R1}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R1} 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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