Exchange Traded Funds

Have your yellowcake & eat it too

Initial Opinion

27 February 2024

Exchange-Traded Funds
United States
Other Financials

Jared Woodard
Investment & ETF Strategist
BofAS
+1 646 855 2600
jared.woodard@bofa.com

John Glascock
Investment & ETF Strategist
BofAS
+1 646 855 3402
john.glascock@bofa.com

Phoebe Block
Investment & ETF Strategist
BofAS
+1 646 241 5941
phoebe.block@bofa.com

Correction in nuclear stocks offers a good entry point

Nuclear power & uranium ETFs have corrected 10-15% from early February highs. Consider buying the dip given likely technical support (e.g. at $27/share for URA - Exhibit 3). Uranium's third bull market has room to run given favorable valuations, substantial upside expected from our equity colleagues Lawson Winder and Jason Fairclough, and positive signals from our recent meeting with public policy and industry leaders.

The market is embracing the nuclear energy option

Nuclear stocks have outperformed the Nasdaq 100 by nearly 200% since COVID lows (Exhibit 6). Since 2021 clean energy ETFs with heavy exposure to wind and solar power have suffered a sharp bear market (>30% losses and $2.4bn outflows), but over the same period investors added $2bn into uranium & nuclear power ETFs.

Invest based on physics, not politics

The structural bull case for uranium is intact. Nuclear power offers the highest energy returned on energy invested (EROI) of any source (Exhibit 2) and offers the most reliable baseload power. Uranium's global supply will likely be in a deficit over the next decade as demand soars. War, inflation, and energy security fears echo the 1970s/80s (Exhibit 10). 60 reactors are under construction globally today with another 425 planned or proposed.

Adding NLR & restacking ratings; URA still the top pick

URA is still our top pick with diversified exposure to uranium, miners, and others. We initiate coverage of NLR with a 1-FV rating (Exhibit 1). The fund is unique with 40% exposure to US nuclear-exposed utilities and strong risk-adjusted returns. XME is downgraded to a 2-FV and REMX is downgraded to 3-FV given weak fundamentals. See page 5 for full details.

Exhibit 1: URA & NLR are top-rated ETFs

Summary of ratings changes

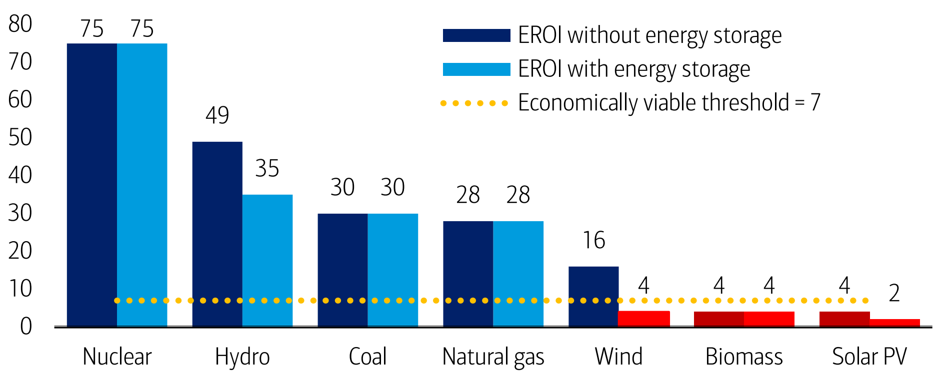
Ticker	Old rating	New rating
URA	1-FV	1-FV
NLR	-	1-FV
XME	1-FV	2-FV
PICK	3-FV	2-FV
REMX	2-FV	3-FV

Source: BofA ETF Research

BofA GLOBAL RESEARCH

Exhibit 2: The most important chart in energy policy

How many joules of output per joule of input? Energy returned on energy invested (EROI) by source



Source: BofA Research Investment Committee, D. Weißbach, G. Ruprecht, A. Huke, K. Czerski, S. Gottlie, A. Hussein (2013); Red bars signal EROI below the economically viable threshold.

BofA GLOBAL RESEARCH

For more information:

RIC Report: The nuclear necessity

URA: the third bull market in Uranium

CCJ: Uranium demand more durable than ever

CCJ: Bull market has further to run

KAP: Warns on ramp = bullish uranium price

KAP: Downside risk to volumes

Timestamp: 27 February 2024 02:11PM EST

The best option for clean energy

We expect nuclear energy demand to rise as policy makers confront looming Net Zero deadlines and a more hostile global trade environment. The recent pullback in nuclear energy stocks provides a timely opportunity for investors looking to add exposure (see *The RIC Report: The nuclear necessity* for our deep dive).

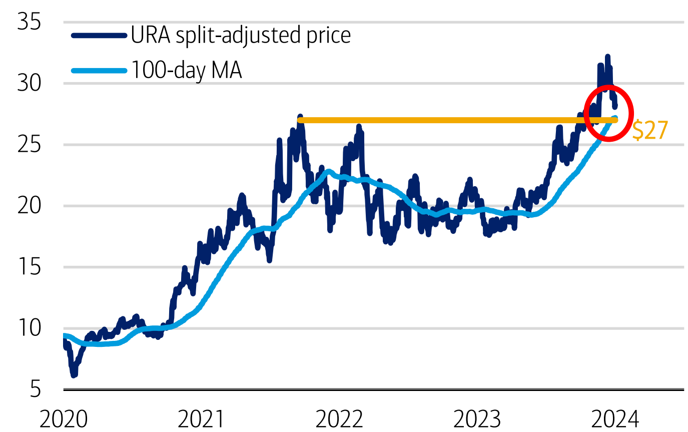
1. The market opportunity

URA is in a correction, down 15% from early February highs. Our fundamental analysts expect recent weakness in the fund's large holdings like Cameco, Yellow Cake PLC, and Kazatomprom to be temporary.

Lawson Winder thinks Cameco's 4Q23 earnings were solid but unchanged production guidance may have dented the near-term outlook for uranium bulls.

In our view, the pullback in URA's price is an even more attractive buying opportunity. There looks to be strong price support around $27/share for investors looking to add exposure (Exhibit 3).

Exhibit 3: URA is in a buyable dip
URA price vs 100-day moving average and potential price level support



Source: BofA ETF Research, Bloomberg

BofA GLOBAL RESEARCH

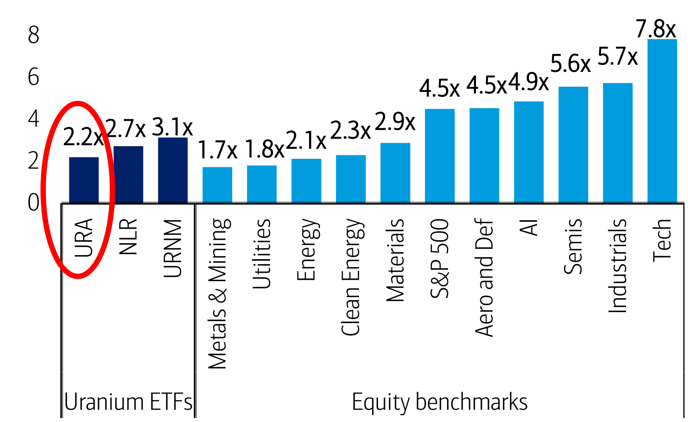
Valuations are favorable, with room to run

At 2.2x price to book, URA trades in-line with other clean energy peers and well below the S&P 500 (4.5x - Exhibit 4). Tech stocks trade more than 5.5 turns above URA.

The 1970s oil embargo and pre-GFC commodities boom illustrate the strength of past uranium bull markets.

Uranium's third bull market still has room to run thanks to supply deficits and attractive valuations (Exhibit 5). URA could rise another 100-200% if it traded at multiples similar to the industrials sector, even if forward earnings estimates remain unchanged.

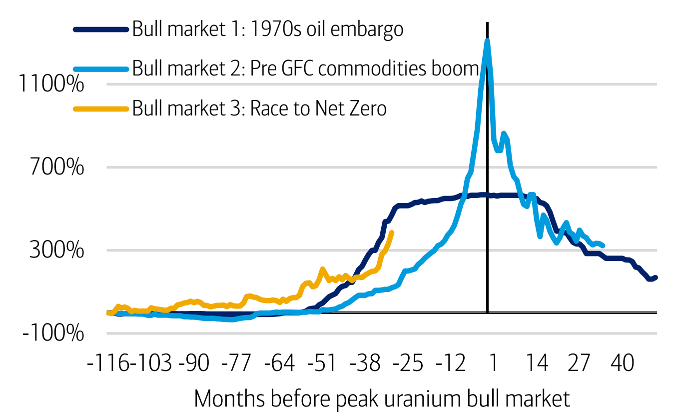
Exhibit 4: Nuclear power ETFs are less expensive than most
Price to book for URA and other equity sectors



Source: BofA Research Investment Committee, Factset

BofA GLOBAL RESEARCH

Exhibit 5: Uranium's third bull market has room to run
Uranium prices around historical peaks



Source: BofA Research Investment Committee, Global Financial Data

BofA GLOBAL RESEARCH

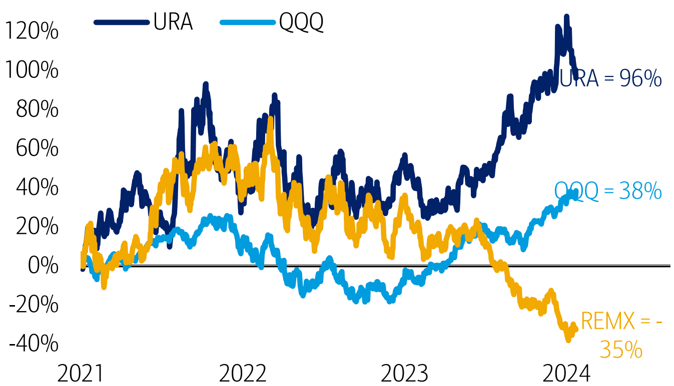
The market believes in nuclear's potential

Nuclear energy stocks have a strong investor base. URA has outperformed the mighty Nasdaq 100 by nearly 60% since February 2021 (Exhibit 6).

Investors have made it clear that nuclear is the preferred clean energy option. Uranium funds have attracted $2bn of inflows in the past two years while traditional clean energy ETFs like ICLN and PBW have notched $2.4bn of outflows (Exhibit 7).

REMX's high exposure to lithium and China helps explain recent underperformance and outflows. Dreams of an EV future have turned into nightmares following FY23 results for large miners. Lithium is down roughly -85% as future for battery metals remains unclear. Miners, and battery metals specifically, are reliant on the Chinese economy. As it stands, the market is indicating it has significant doubts over China's economy and policy response in 2024.

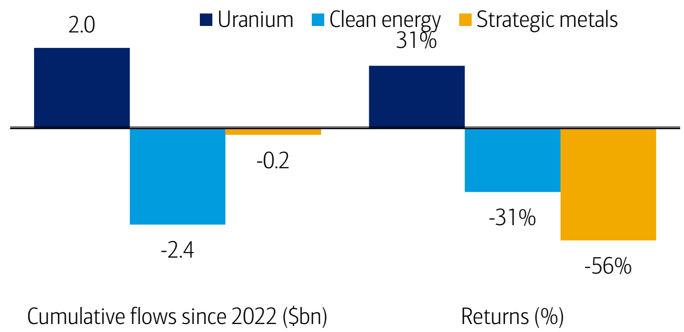
Exhibit 6: Big Tech is no match for nuclear
Cumulative total returns for URA & QQQ since March 2020



Source: BofA ETF Research, Bloomberg

BofA GLOBAL RESEARCH

Exhibit 7: The market has embraced the nuclear energy option
ETF category flows & returns since Dec 2021



Source: BofA ETF Research, Bloomberg. Note: Uranium = URA, URNM, NLR; Clean Energy = ICLN, QCLN, PBW, SMOG; Strategic metals = REMX

BofA GLOBAL RESEARCH

2. The market necessity

Nuclear power is a proven technology that can provide cheap, reliable, clean, and safe power as a bridge to renewable sources if/when they become ready at a larger scale.

- **Cheap:** nuclear energy payback, as measured by the "energy return on investment" (EROI), is in a league of its own (Exhibit 2). Other energy sources like wind, biomass, and non-concentrated solar may not be economically viable without perpetual subsidies. One academic study argued that EROIs around 30 or larger are required to achieve what is perceived as economic prosperity in the 21st century.[1]

  Nuclear also looks to be the cheapest scalable, clean energy source when accounting for "full system" costs like efficiency, storage, and transmission (Exhibit 8).

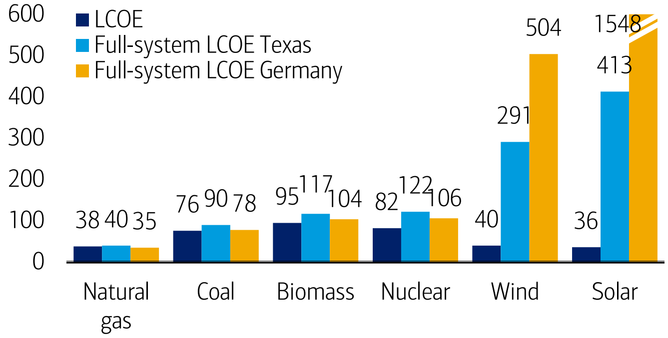
- **Reliable:** "baseload" power is crucial for energy security. Nuclear plants generate energy 93% of the time, on average, vs. just 57% for natural gas, 35% for wind, and 25% for solar (Exhibit 9).

- **Clean:** nuclear power has some of the lowest lifecycle greenhouse gas (GHG) emissions of any energy source and needs much less material to build. Nuclear requires about 900 tons of cement, concrete, and glass per TWh of electricity generated while solar requires >16,000 tons of material for the same output.

- **Safe:** Nuclear energy, solar, and wind have all caused essentially no deaths from routine operation. Containment methods have evolved to mitigate disaster risks.

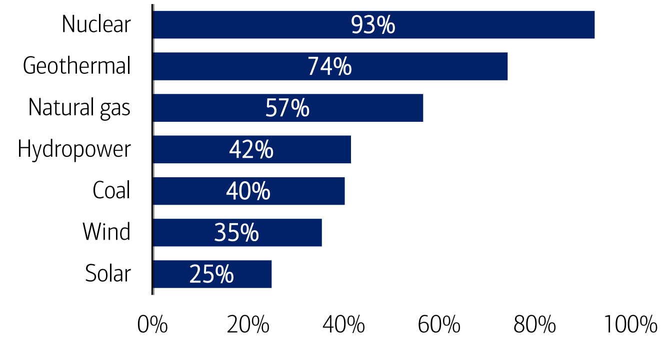
[1] Weissbach, D. et al., Energy intensities, EROI (energy returned on invested), for electric energy sources, 2018

Exhibit 8: Nuclear & conventional costs are far lower than wind & solar
Levelized full system cost of electricity by energy source; $ per MWh



Source: BofA Research Investment Committee, Robert Idel, Energy 259 (2022)
BofA GLOBAL RESEARCH

Exhibit 9: Nuclear is the most efficient energy source
Capacity factor by energy source



Source: BofA Research Investment Committee, Office of Nuclear Energy
BofA GLOBAL RESEARCH

- **Building like it's 1979:** Resource nationalism, energy security, war and inflation echo the nuclear build-out of the 1970s/80s. Global nuclear plant capacity grew between 1955 & 1980. The 1980s alone saw 195 plant additions globally after two oil crises, rampant inflation, and concerns over energy security (Exhibit 10). Recently at COP28, more than 20 countries have launched a declaration to triple nuclear energy capacity by 2050. Increasing nuclear plants globally has been recognized as a crucial step for Net Zero goals.

- **A decade of uranium deficits**: Underinvestment has plagued uranium mining projects. Our metals strategists believe global mine production will not be able to keep pace with uranium demand and commercial inventories will be needed to plug the gap. Their forecast implies a deficit of 60 million pounds in 2035 (Exhibit 11).

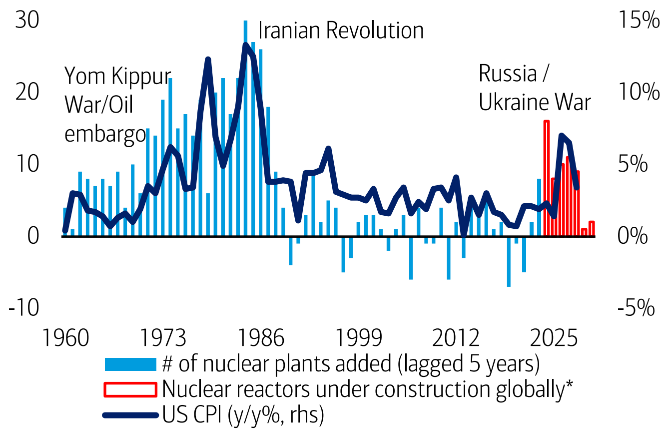
  Kazatomprom, the world's largest uranium producer, recently warned of lower production in the next few years, which means the market could see deficits sooner than previously expected. Demand will also likely rise. The IEA suggests that nuclear power will have to nearly double by 2050 to meet net zero goals. There are currently 60 nuclear reactors under construction globally with 100 more planned and 325 proposed.

- **The policy shift**: We presented at a recent conference hosted by the Nuclear Energy Institute and meetings with senior industry and public policy officials were promising. Conversations were focused not on whether to promote more nuclear power in the US, but on what combinations of policy and financing might unlock private sector investment. Given bottlenecks in Congress, no major package is likely soon, but participants raised several interesting avenues including the redesignation of already-passed IRA funding, the use of carbon credits to fund projects, using NRC and workforce expertise from Vogtle to build another AP1000, and funding smaller-scale SMR and micro-reactors through state and local budgets.

- **Uranium in the crosshairs:** We highlighted in our Year Ahead report that 77% of major government spending packages has yet to be spent, leaving billions of dollars with an uncertain future in an election year.

  Looking abroad, the US continues to rely on Russia uranium supplies. In the end of 2023, the US House of Representatives passed legislation that would ban buying Russian uranium for American reactors. Any Russian dependence leaves the US vulnerable to sanctions and geopolitical conflicts.

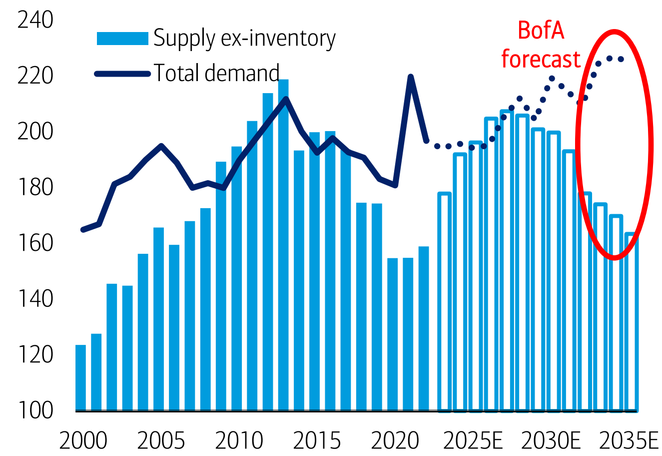
Exhibit 10: War and inflation = nuclear power resurgence
US CPI vs global operational nuclear plants added on an annual basis



Source: BofA Research Investment Committee, World Nuclear Association, Statista. *Year = expected year of grid connection

BofA GLOBAL RESEARCH

Exhibit 11: Uranium market may become unbalanced
BofA uranium supply / demand forecast through 2035, million pounds



Source: BofA Global Research

BofA GLOBAL RESEARCH

3. The market options

We include uranium ETFs in our metals and mining coverage. URA and NLR are our top picks as nuclear energy is embraced as a clean energy solution.

Exhibit 12: Metals & Mining ETFs - ratings/scores/factors
Summary of covered ETF Efficiency, Technical, and Fundamental characteristics

				Efficiency				Technical		Fundamental		
										Stock exposure		
Ticker	**Name**	**Rating**	**Total Score**	Expense ratio	NAV tracking difference	Bid/Ask spreads	Daily value traded ($mn)	Price momentum	Sortino ratio	%Buy	%U/P	Ratio
URA	Global X Uranium ETF	1-FV	86	0.69%	0.19%	0.04%	77	0.0%	1.1	40%	2%	90%
NLR	VanEck Uranium + Nuclear Energy ETF	1-FV	72	0.61%	1.11%	0.42%	3	0.1%	1.0	48%	4%	74%
XME	SPDR S&P Metals & Mining ETF	2-FV	63	0.35%	0.06%	0.02%	169	1.7%	0.8	18%	4%	31%
PICK	iShares MSCI Global Metals & Mining Producers ETF	2-FV	55	0.39%	4.08%	0.25%	9	-2.8%	0.4	55%	10%	54%
REMX	VanEck Rare Earth/Strategic Metals ETF	3-FV	11	0.54%	3.78%	0.58%	6	-15.6%	-0.2	23%	7%	26%
Average				0.52%	1.84%	0.26%	53	-3.32%	0.6	37%	5%	55%

Source: BofA ETF Research, Factset, Bloomberg. Total score out of 100 possible points.

BofA GLOBAL RESEARCH

Top rated funds: uranium takes the cake

Individual uranium miners and related companies can be very volatile, so a well-diversified portfolio is easier to own. We published a report including in-depth analysis of our uranium funds in May 2023 with more information.

- **URA (1-FV)**, the Global X Uranium ETF, seems to be the most diverse Uranium fund of its peers given 1) significant exposures to several sectors; 2) diverse country exposures; and 3) the highest number of individual holdings. These attributes contribute to the fund having the best risk adjusted returns. While more expensive than NLR, URA is more liquid and as a higher direct exposure to physical uranium.

- **NLR (1-FV)**, the VanEck Uranium + Nuclear energy ETF, offers investors a different approach to nuclear exposure. Our newest initiation is unlike other uranium ETFs: NLR's highest concentration is in utilities, accounting for nearly 40% of the fund. Despite sector differences to URA, strong demand for uranium still drives strong risk adjusted returns and a high exposure to BofA buy-rated stocks.

Other funds: Out with the old

- **XME (2-FV)**, the SPDR S&P Metals & Mining ETF, offers 100% exposure to North American stocks. Formerly a top-rated fund, XME has fallen behind with no exposure to top uranium producers. For investors interested in a traditional approach to metals and mining, XME is the cheapest fund in our metal and mining coverage and offers the best risk adjusted returns outside of uranium funds.

- **PICK (2-FV)**, the iShares MSCI Global Metals & Mining Producers ETF, is upgraded from a 3-FV. The fund offers broader geographic exposure than traditional metals and mining peers, with the highest Europe and Latin America exposure, and only a 2% exposure to China. The resilience of US markets relative to the rest of the world has led to PICK's lower risk adjusted returns relative to XME. Investors interested in adding metals and mining exposure with an emerging markets tilt may be interested in PICK. BofA analysts anticipate that when the Fed finally decides to cut, emerging market equities should benefit.

- **REMX (3-FV)**, the VanEck Rare Earth/Strategic Metals ETF, is downgraded to a 3-FV. It primarily holds rare earth mining companies. Rare earth metals like lanthanum, neodymium, and cerium are integral components in electronics, including semiconductors and smartphones. The fund's underperformance is attributable to its >20% China exposure. Historically, China's economy has contributed significantly to returns and volatility. Further, falling expectations of electric vehicle demand lessen the need for the specific metals targeted by REMX. As a result, REMX is our bottom rated fund.

Appendix

Understanding our evaluation process

BofA Global Research ETF ratings include both a view on the broad category (FV=Favorable View; NV=Neutral View; UF=Unfavorable View) and the specific fund relative to its peers (1=More Attractive; 2=Attractive; 3=Less Attractive).

We evaluate individual funds in three categories: Efficiency, Technical, and Fundamental. These first two groups use similar criteria across ETF categories:

- **Efficiency**: includes expense ratio, tracking error, and liquidity.
- **Technical**: focuses on price momentum and risk-adjusted returns via the Sortino Ratio (returns vs downside volatility).

Our **Fundamental** ranking is typically determined by a combination of fund exposure to BofA equity analyst Underperform-rated names and Underweight industries.

Understanding the ETF model output

ETF reports typically include a ratings table summarizing the key elements used to rate ETFs within a category. We provide a description of each column below within the context of our government bond ETF model:

- **Rating**: The number represents the view on a specific fund (1=More Attractive; 2=Attractive; 3=Less Attractive). The letters represent the category outlook (FV=Favorable; NV=Neutral; UF=Unfavorable).
- **Total score**: Funds are rated on a 100-point scale. Each category (Efficiency, Technical, and Fundamental) has points available equivalent to the category's weight in the ranking. For example, if Efficiency was 33% of the overall score, a fund could achieve a maximum of 33 points in the Efficiency category. Funds are ranked against each other to determine the number of points received per category. The scores for each category are then summed to arrive at the total score.
- **Fundamental rank**: Funds were ranked using buy rated vs underperform rated exposure to covered BofA names as well as weight to BofA identified water thematic names.

- **Price momentum**: Three simple moving averages are used to calculate price momentum. We weight and sum the percent that a fund's closing price is above or below each moving average. A higher weighted percentage = stronger momentum.
- **Sortino ratio**: is used to measure risk-adjusted returns by comparing average annualized returns to downside deviation over the same period. Funds that have shown the highest returns relative to average pullbacks receive a higher rank.
- **Expense ratio**: The "all-in" net-expenses of a fund including management, interest, listing fees etc. as a percent of net assets under management.
- **Tracking error**: measures the difference in actual performance of a fund relative to its corresponding benchmark.
- **Average value traded**: The average number of shares traded daily multiplied by the price that they traded at over the past three months. A higher number indicates greater liquidity and better efficiency. Funds with an average value traded greater than the group's median received a higher Efficiency score.
- **Bid/Ask spread**: The average difference, or spread, between bid and ask prices as a percentage of the price. A lower spread signals a more liquid, and efficient, fund.

Exhibit 13: ETFs mentioned
List of ETFs mentioned in report with name, rating, and price

Ticker	Name	Rating	Price
URA	Global X Uranium ETF	1-FV	28.41
NLR	VanEck Uranium + Nuclear Energy ETF	1-FV	72.57
XME	SPDR S&P Metals & Mining ETF	2-FV	55.88
PICK	iShares MSCI Global Metals & Mining Producers ETF	2-FV	39.29
REMX	VanEck Rare Earth/Strategic Metals ETF	3-FV	48.79

Source: BofA ETF Research, Bloomberg

BofA GLOBAL RESEARCH

Analyst Certification

I, Jared Woodard, 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.

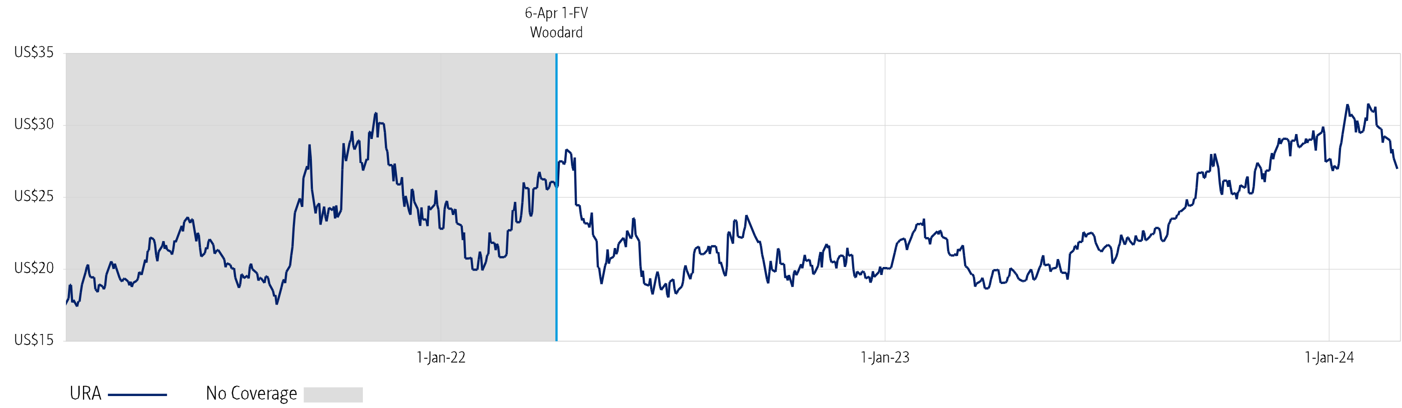
Special Disclosures

BofA Securities is currently acting as a Financial Advisor to Canadian Solar Inc in connection with its subsidiary Recurrent Energy LLC's secured preferred equity investment commitment, convertible into common equity, for Recurrent Energy BV from BlackRock Inc through a fund managed by its Climate Infrastructure business, which was announced on January 23, 2024.

Disclosures

Important Disclosures

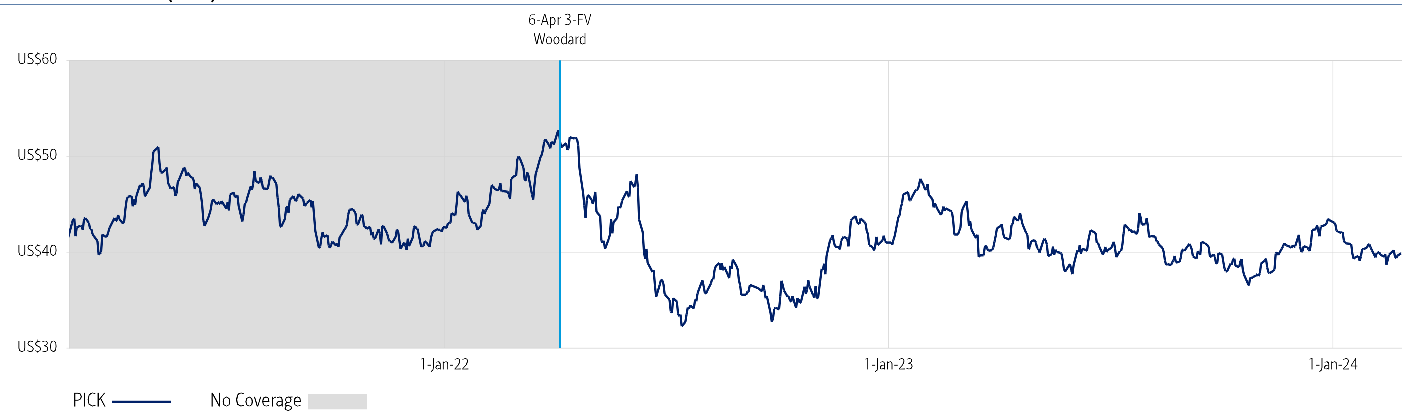
Global X Uranium ETF (URA) Price Chart



1-FV, 2-FV, 3-FV, 1-NV, 2-NV, 3-NV, 1-UF, 2-UF, 3-UF – refer to Opinion Key below, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Exchange-Traded Fund 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.

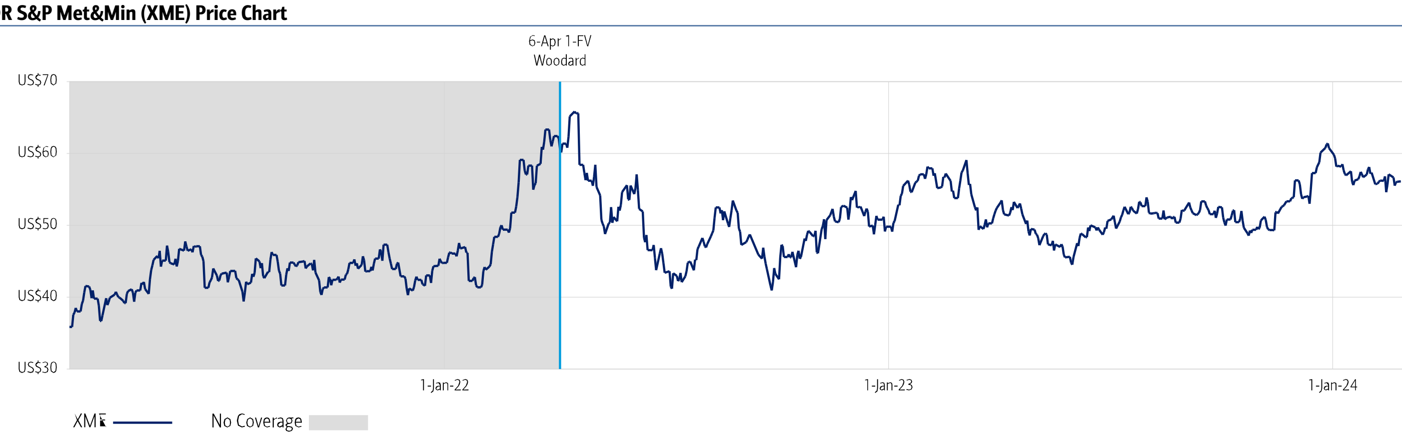
iShares MSCI M&M ETF (PICK) Price Chart



1-FV, 2-FV, 3-FV, 1-NV, 2-NV, 3-NV, 1-UF, 2-UF, 3-UF – refer to Opinion Key below, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Exchange-Traded Fund 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.

SPDR S&P Met&Min (XME) Price Chart

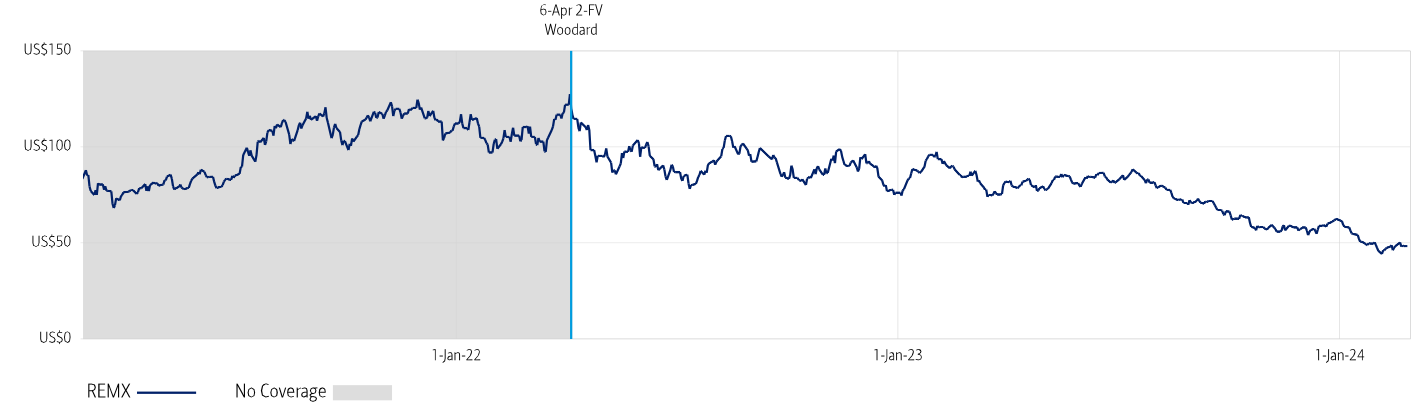


1-FV, 2-FV, 3-FV, 1-NV, 2-NV, 3-NV, 1-UF, 2-UF, 3-UF – refer to Opinion Key below, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Exchange-Traded Fund 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.

SPDR S&P Met&Min (XME) Price Chart

VanEck Rare Mtls ETF (REMX) Price Chart



The Investment Opinion System is contained at the end of the report under the heading "Exchange-Traded Fund 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.

Exchange-Traded Funds Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	80	19.61%	Buy	53	66.25%
Hold	317	77.70%	Hold	241	76.03%
Sell	11	2.70%	Sell	7	63.64%

[R1] Exchange-traded funds (ETFs), or the ETF providers, 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 ETFs. An ETF rated 1-FV is included as a Buy; an ETF rated 2-FV, 3-FV, 1-NV, 2-NV, 3-NV, 1-UF or 2-UF is included as a Hold; and an ETF rated 3-UF is included as a Sell.

EXCHANGE-TRADED FUNDS (ETF) INVESTMENT OPINION KEY: Opinions reflect both an Outlook Rating and a Category Rating. OUTLOOK RATINGS reflect the analyst's assessment of the ETF's attractiveness relative to other ETFs within its category (including sector, region, asset class, thematic, and others). There are three outlook ratings: 1 - the ETF is more attractive than covered peers in the same category over the next 12 months; 2 - the ETF is similarly attractive to covered peers in the same category over the next 12 months; and 3 - the ETF is less attractive than covered peers in the same category over the next 12 months. CATEGORY RATINGS, indicators of the analyst's view of the ETF's category and which incorporate published views of BofA Global Research department analysts, are: FV - Favorable view, NV - Neutral view and UF - Unfavorable view.

Price Charts for the securities referenced in this research report are available on the Price Charts website, or call 1-800-MERRILL to have them mailed.
BofAS or one of its affiliates acts as a market maker for the equity securities recommended in the report: Global X Uranium ETF, iShares MSCI M&M ETF, SPDR S&P Met&Min, VanEck Rare Mtls ETF, VanEck Urn+Nucl ETF.
BofAS or an affiliate was a manager of a public offering of securities of this issuer within the last 12 months: BlackRock, Inc., State Street.
The issuer is or was, within the last 12 months, an investment banking client of BofAS and/or one or more of its affiliates: BlackRock, Inc., State Street.
BofAS or an affiliate has received compensation from the issuer for non-investment banking services or products within the past 12 months: BlackRock, Inc., MiraeAsset Sec, State Street, Vaneck.
The issuer is or was, within the last 12 months, a non-securities business client of BofAS and/or one or more of its affiliates: BlackRock, Inc., MiraeAsset Sec, State Street, Vaneck.
BofAS or an affiliate has received compensation for investment banking services from this issuer within the past 12 months: BlackRock, Inc., State Street.
BofAS or an affiliate expects to receive or intends to seek compensation for investment banking services from this issuer or an affiliate of the issuer within the next three months: BlackRock, Inc., State Street.
BofAS together with its affiliates beneficially owns one percent or more of the shares of this fund. If this report was issued on or after the 9th day of the month, it reflects the ownership position on the last day of the previous month. Reports issued before the 9th day of the month reflect the ownership position at the end of the second month preceding the date of the report: Global X Uranium ETF, iShares MSCI M&M ETF, SPDR S&P Met&Min, VanEck Rare Mtls ETF, VanEck Urn+Nucl ETF.
BofAS or one of its affiliates is willing to sell to, or buy from, clients the common equity of the issuer on a principal basis: Global X Uranium ETF, iShares MSCI M&M ETF, SPDR S&P Met&Min, VanEck Rare Mtls ETF, VanEck Urn+Nucl ETF.
The issuer is or was, within the last 12 months, a securities business client (non-investment banking) of BofAS and/or one or more of its affiliates: BlackRock, Inc., MiraeAsset Sec, State Street, Vaneck.
Due to the nature of strategic analysis, the issuers or securities recommended or discussed in this report are not continuously followed. Accordingly, investors must regard this report as providing stand-alone analysis and should not expect continuing analysis or additional reports relating to such issuers and/or securities.
BofA Global Research personnel (including the analyst(s) responsible for this report) receive compensation based upon, among other factors, the overall profitability of Bank of America Corporation, including profits derived from investment banking. The analyst(s) responsible for this report may also receive compensation based upon, among other factors, the overall profitability of the Bank's sales and trading businesses relating to the class of securities or financial instruments for which such analyst is responsible.
BofAS and/or its affiliates participate in the creation and redemption of these ETFs and are an authorized participant for such ETFs: iShares MSCI M&M ETF, VanEck Rare Mtls ETF, VanEck Urn+Nucl ETF

Other Important Disclosures

The covered issuer and/or one or more of its affiliates holds 5% or more of the total issued share capital of Bank of America Corporation: BlackRock, Inc.
Prices are indicative and for information purposes only. Except as otherwise stated in the report, for any recommendation in relation to an equity security, the price referenced is the publicly traded price of the security as of close of business on the day prior to the date of the report or, if the report is published during intraday trading, the price referenced is indicative of the traded price as of the date and time of the report and in relation to a debt security (including equity preferred and CDS), prices are indicative as of the date and time of the report and are from various sources including BofA Securities trading desks.
The date and time of completion of the production of any recommendation in this report shall be the date and time of dissemination of this report as recorded in the report timestamp.

One or more analysts responsible for covering the funds in this report own(s) a position in a company that constitutes a significant portion of the assets of the subject fund: URA
Recipients who are not institutional investors or market professionals should seek the advice of their independent financial advisor before considering information in this report in connection with any investment decision, or for a necessary explanation of its contents.
Officers of BofAS or one or more of its affiliates (other than research analysts) may have a financial interest in securities of the issuer(s) or in related investments.
Refer to BofA Global Research policies relating to conflicts of interest.
"BofA Securities" includes BofA Securities, Inc. ("BofAS") and its affiliates. Investors should contact their BofA Securities representative or Merrill Global Wealth Management financial advisor if they have questions concerning this report or concerning the appropriateness of any investment idea described herein for such investor. "BofA Securities" is a global brand for BofA Global Research.
Information relating to Non-US affiliates of BofA Securities and Distribution of Affiliate Research Reports:
BofAS and/or Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") may in the future distribute, information of the following non-US affiliates in the US (short name: legal name, regulator): Merrill Lynch (South Africa): Merrill Lynch South Africa (Pty) Ltd., regulated by The Financial Service Board; MLI (UK): Merrill Lynch International, regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA); BofASE (France): BofA Securities Europe SA is authorized by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers (AMF). BofA Securities Europe SA ("BofASE") with registered address at 51, rue La Boétie, 75008 Paris is registered under no 842 602 690 RCS Paris. In accordance with the provisions of French Code Monétaire et Financier (Monetary and Financial Code), BofASE is an établissement de crédit et d'investissement (credit and investment institution) that is authorised and supervised by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers. BofASE's share capital can be found at www.bofaml.com/BofASEdisclaimer; BofA Europe (Milan): Bank of America Europe Designated Activity Company, Milan Branch, regulated by the Bank of Italy, the European Central Bank (ECB) and the Central Bank of Ireland (CBI); BofA Europe (Frankfurt): Bank of America Europe Designated Activity Company, Frankfurt Branch regulated by BaFin, the ECB and the CBI; BofA Europe (Madrid): Bank of America Europe Designated Activity Company, Sucursal en España, regulated by the Bank of Spain, the ECB and the CBI; Merrill Lynch (Australia): Merrill Lynch Equities (Australia) Limited, regulated by the Australian Securities and Investments Commission; Merrill Lynch (Hong Kong): Merrill Lynch (Asia Pacific) Limited, regulated by the Hong Kong Securities and Futures Commission (HKSFC); Merrill Lynch (Singapore): Merrill Lynch (Singapore) Pte Ltd, regulated by the Monetary Authority of Singapore (MAS); Merrill Lynch (Canada): Merrill Lynch Canada Inc, regulated by the Canadian Investment Regulatory Organization; Merrill Lynch (Mexico): Merrill Lynch Mexico, SA de CV, Casa de Bolsa, regulated by the Comisión Nacional Bancaria y de Valores; Merrill Lynch (Argentina): Merrill Lynch Argentina SA, regulated by Comisión Nacional de Valores; BofAS Japan: BofA Securities Japan Co., Ltd., regulated by the Financial Services Agency; Merrill Lynch (Seoul): Merrill Lynch International, LLC Seoul Branch, regulated by the Financial Supervisory Service; Merrill Lynch (Taiwan): Merrill Lynch Securities (Taiwan) Ltd., regulated by the Securities and Futures Bureau; BofAS India: BofA Securities India Limited, regulated by the Securities and Exchange Board of India (SEBI); Merrill Lynch (Israel): Merrill Lynch Israel Limited, regulated by Israel Securities Authority; Merrill Lynch (DIFC): Merrill Lynch International (DIFC Branch), regulated by the Dubai Financial Services Authority (DFSA); Merrill Lynch (Brazil): Merrill Lynch S.A. Corretora de Títulos e Valores Mobiliários, regulated by Comissão de Valores Mobiliários; Merrill Lynch KSA Company: Merrill Lynch Kingdom of Saudi Arabia Company, regulated by the Capital Market Authority.
This information: has been approved for publication and is distributed in the United Kingdom (UK) to professional clients and eligible counterparties (as each is defined in the rules of the FCA and the PRA) by MLI (UK), which is authorized by the PRA and regulated by the FCA and the PRA - details about the extent of our regulation by the FCA and PRA are available from us on request; has been approved for publication and is distributed in the European Economic Area (EEA) by BofASE (France), which is authorized by the ACPR and regulated by the ACPR and the AMF; has been considered and distributed in Japan by BofAS Japan, a registered securities dealer under the Financial Instruments and Exchange Act in Japan, or its permitted affiliates; is issued and distributed in Hong Kong by Merrill Lynch (Hong Kong) which is regulated by HKSFC; is issued and distributed in Taiwan by Merrill Lynch (Taiwan); is issued and distributed in India by BofAS India; and is issued and distributed in Singapore to institutional investors and/or accredited investors (each as defined under the Financial Advisers Regulations) by Merrill Lynch (Singapore) (Company Registration No 198602883D). Merrill Lynch (Singapore) is regulated by MAS. Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795), AFS License 235132 (MLEA) distributes this information in Australia only to 'Wholesale' clients as defined by s.761G of the Corporations Act 2001. With the exception of Bank of America N.A., Australia Branch, neither MLEA nor any of its affiliates involved in preparing this information is an Authorised Deposit-Taking Institution under the Banking Act 1959 nor regulated by the Australian Prudential Regulation Authority. No approval is required for publication or distribution of this information in Brazil and its local distribution is by Merrill Lynch (Brazil) in accordance with applicable regulations. Merrill Lynch (DIFC) is authorized and regulated by the DFSA. Information prepared and issued by Merrill Lynch (DIFC) is done so in accordance with the requirements of the DFSA conduct of business rules. BofA Europe (Frankfurt) distributes this information in Germany and is regulated by BaFin, the ECB and the CBI. BofA Securities entities, including BofA Europe and BofASE (France), may outsource/delegate the marketing and/or provision of certain research services or aspects of research services to other branches or members of the BofA Securities group. You may be contacted by a different BofA Securities entity acting for and on behalf of your service provider where permitted by applicable law. This does not change your service provider. Please refer to the Electronic Communications Disclaimers for further information.
This information has been prepared and issued by BofAS and/or one or more of its non-US affiliates. The author(s) of this information may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so. BofAS and/or MLPF&S is the distributor of this information in the US and accepts full responsibility for information distributed to BofAS and/or MLPF&S clients in the US by its non-US affiliates. Any US person receiving this information and wishing to effect any transaction in any security discussed herein should do so through BofAS and/or MLPF&S and not such foreign affiliates. Hong Kong recipients of this information should contact Merrill Lynch (Asia Pacific) Limited in respect of any matters relating to dealing in securities or provision of specific advice on securities or any other matters arising from, or in connection with, this information. Singapore recipients of this information should contact Merrill Lynch (Singapore) Pte Ltd in respect of any matters arising from, or in connection with, this information. For clients that are not accredited investors, expert investors or institutional investors Merrill Lynch (Singapore) Pte Ltd accepts full responsibility for the contents of this information distributed to such clients in Singapore.
General Investment Related Disclosures:
Taiwan Readers: Neither the information nor any opinion expressed herein constitutes an offer or a solicitation of an offer to transact in any securities or other financial instrument. No part of this report may be used or reproduced or quoted in any manner whatsoever in Taiwan by the press or any other person without the express written consent of BofA Securities.
This document provides general information only, and has been prepared for, and is intended for general distribution to, BofA Securities clients. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other financial instrument or any derivative related to such securities or instruments (e.g., options, futures, warrants, and contracts for differences). This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of, and is not directed to, any specific person(s). This document and its content do not constitute, and should not be considered to constitute, investment advice for purposes of ERISA, the US tax code, the Investment Advisers Act or otherwise. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on this document.
Securities and other financial instruments referred to herein, or recommended, offered or sold by BofA Securities, are not insured by the Federal Deposit Insurance Corporation and are not deposits or other obligations of any insured depository institution (including, Bank of America, N.A.). Investments in general and, derivatives, in particular, involve numerous risks, including, among others, market risk, counterparty default risk and liquidity risk. No security, financial instrument or derivative is suitable for all investors. Digital assets are extremely speculative, volatile and are largely unregulated. In some cases, securities and other financial instruments may be difficult to value or sell and reliable information about the value or risks related to the security or financial instrument may be difficult to obtain. Investors should note that income from such securities and other financial instruments, if any, may fluctuate and that price or value of such securities and instruments may rise or fall and, in some cases, investors may lose their entire principal investment. Past performance is not necessarily a guide to future performance. Levels and basis for taxation may change.
This report may contain a short-term trading idea or recommendation, which highlights a specific near-term catalyst or event impacting the issuer or the market that is anticipated to have a short-term price impact on the equity securities of the issuer. Short-term trading ideas and recommendations are different from and do not affect a stock's fundamental equity rating, which reflects both a longer term total return expectation and attractiveness for investment relative to other stocks within its Coverage Cluster. Short-term trading ideas and recommendations may be more or less positive than a stock's fundamental equity rating.
BofA Securities is aware that the implementation of the ideas expressed in this report may depend upon an investor's ability to "short" securities or other financial instruments and that such action may be limited by regulations prohibiting or restricting "shortselling" in many jurisdictions. Investors are urged to seek advice regarding the applicability of such regulations prior to executing any short idea contained in this report.
Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned herein. Investors in such securities and instruments,

including ADRs, effectively assume currency risk.
BofAS or one of its affiliates is a regular issuer of traded financial instruments linked to securities that may have been recommended in this report. BofAS or one of its affiliates may, at any time, hold a trading position (long or short) in the securities and financial instruments discussed in this report.
BofA Securities, through business units other than BofA Global Research, may have issued and may in the future issue trading ideas or recommendations that are inconsistent with, and reach different conclusions from, the information presented herein. Such ideas or recommendations may reflect different time frames, assumptions, views and analytical methods of the persons who prepared them, and BofA Securities is under no obligation to ensure that such other trading ideas or recommendations are brought to the attention of any recipient of this information.
In the event that the recipient received this information pursuant to a contract between the recipient and BofAS for the provision of research services for a separate fee, and in connection therewith BofAS may be deemed to be acting as an investment adviser, such status relates, if at all, solely to the person with whom BofAS has contracted directly and does not extend beyond the delivery of this report (unless otherwise agreed specifically in writing by BofAS). If such recipient uses the services of BofAS in connection with the sale or purchase of a security referred to herein, BofAS may act as principal for its own account or as agent for another person. BofAS is and continues to act solely as a broker-dealer in connection with the execution of any transactions, including transactions in any securities referred to herein.
ETFs are redeemable only in Creation Unit size through an Authorized Participant and may not be individually redeemed. ETFs also are redeemable on an "in-kind" basis. The mechanism for creation and redemption of ETFs may be disrupted due to market conditions or otherwise.
The public trading price of an ETF may be different from its net asset value, and an ETF could trade at a premium or discount to its net asset value.
Investors in ETFs with international securities assume currency risk.
U.S. exchange-listed, open-end ETFs must be offered under and sold only pursuant to a prospectus. U.S. exchange-listed ETFs may not be marketed or sold in a number of non-U.S. jurisdictions and may not be suitable for all investors. Investors should consider the investment objectives, risks, charges and expenses of the ETF carefully before investing. The prospectus for the ETF contains this and other information about the ETF. Clients may obtain prospectuses for the ETFs mentioned in this report from the ETF distributor or their Merrill Global Wealth Management financial advisor. The prospectuses contain more complete and important information about the ETFs mentioned in this report and should be read carefully before investing.
BofAS or one of its affiliates receives licensing fees in connection with certain Select Sector Indices, Select Sector SPDR Funds, and the use of various marks associated with the foregoing. Such fees are paid from The Select Sector SPDR Trust ("Trust"), in respect of each Select Sector SPDR Fund, based on the average aggregate daily net assets of such Select Sector SPDR Fund (based on net asset value as described in the Trust's prospectus). Such fees also may be made in respect of other ETF providers for the right to create ETFs based on the Select Sector Indices, or different versions thereof.
"Standard & Poor's®", "S&P®", "S&P 500®", "Standard & Poor's 500", "500", "Standard & Poor's Depositary Receipts®", "SPDRs®", "Select Sector SPDR" and "Select Sector Standard & Poor's Depositary Receipts" are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use in connection with the listing and trading of Select Sector SPDRs on the AMEX. The stocks included in each Select Sector Index (upon which the Select Sector SPDRs are based) were selected by the index compilation agent in consultation with S&P from the universe of companies represented by the S&P 500 Index. The composition and weightings of the stocks included in each Select Sector Index can be expected to differ from the composition and weighting of stock included in any similar S&P 500 sector index that is published and disseminated by S&P.
For clients in Wealth Management, to the extent that the securities referenced in this report are ETFs or CEFs, investors should note that (1) the views and ratings presented by BofA Global Research personnel may vary from those of other business units of BofA Securities. including the Due Diligence group within the Chief Investment Office of MLPF&S ("CIO Due Diligence"); and (2) the CIO Due Diligence review process is used to determine the availability of an ETF or CEF for purchase through the Wealth Management division of MLPF&S and its affiliates.

Copyright and General Information:

Materials prepared by BofA Global Research personnel are based on public information. Facts and views presented in this material have not been reviewed by, and may not reflect information known to, professionals in other business areas of BofA Securities, including investment banking personnel. BofA Securities has established information barriers between BofA Global Research and certain business groups. As a result, BofA Securities does not disclose certain client relationships with, or compensation received from, such issuers. To the extent this material discusses any legal proceeding or issues, it has not been prepared as nor is it intended to express any legal conclusion, opinion or advice. Investors should consult their own legal advisers as to issues of law relating to the subject matter of this material. BofA Global Research personnel's knowledge of legal proceedings in which any BofA Securities entity and/or its directors, officers and employees may be plaintiffs, defendants, co-defendants or co-plaintiffs with or involving issuers mentioned in this material is based on public information. Facts and views presented in this material that relate to any such proceedings have not been reviewed by, discussed with, and may not reflect information known to, professionals in other business areas of BofA Securities in connection with the legal proceedings or matters relevant to such proceedings.
This information has been prepared independently of any issuer of securities mentioned herein and not in connection with any proposed offering of securities or as agent of any issuer of any securities. None of BofAS any of its affiliates or their research analysts has any authority whatsoever to make any representation or warranty on behalf of the issuer(s). BofA Global Research policy prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer prior to the publication of a research report containing such rating, recommendation or investment thesis.
Any information relating to the tax status of financial instruments discussed herein is not intended to provide tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional.
The information herein (other than disclosure information relating to BofA Securities and its affiliates) was obtained from various sources and we do not guarantee its accuracy. This information may contain links to third-party websites. BofA Securities is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this information and is not incorporated by reference. The inclusion of a link does not imply any endorsement by or any affiliation with BofA Securities. Access to any third-party website is at your own risk, and you should always review the terms and privacy policies at third-party websites before submitting any personal information to them. BofA Securities is not responsible for such terms and privacy policies and expressly disclaims any liability for them.
All opinions, projections and estimates constitute the judgment of the author as of the date of publication and are subject to change without notice. Prices also are subject to change without notice. BofA Securities is under no obligation to update this information and BofA Securities ability to publish information on the subject issuer(s) in the future is subject to applicable quiet periods. You should therefore assume that BofA Securities will not update any fact, circumstance or opinion contained herein.
Subject to the quiet period applicable under laws of the various jurisdictions in which we distribute research reports and other legal and BofA Securities policy-related restrictions on the publication of research reports, fundamental equity reports are produced on a regular basis as necessary to keep the investment recommendation current.
Certain outstanding reports or investment opinions relating to securities, financial instruments and/or issuers may no longer be current. Always refer to the most recent research report relating to an issuer prior to making an investment decision.
In some cases, an issuer may be classified as Restricted or may be Under Review or Extended Review. In each case, investors should consider any investment opinion relating to such issuer (or its security and/or financial instruments) to be suspended or withdrawn and should not rely on the analyses and investment opinion(s) pertaining to such issuer (or its securities and/or financial instruments) nor should the analyses or opinion(s) be considered a solicitation of any kind. Sales persons and financial advisors affiliated with BofAS or any of its affiliates may not solicit purchases of securities or financial instruments that are Restricted or Under Review and may only solicit securities under Extended Review in accordance with firm policies.
Neither BofA Securities nor any officer or employee of BofA Securities accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this information.