

Active managers' holdings update

Positioning makes a strong case for banks, dividends, and why it's time to pick stocks

Banks may be this year's coiled spring

Active funds added 14ppt of exposure to Comm. Services (Tech, Media and Telecom or TMT) in 2023, driven by a move into "New Media" industries (Entertainment +16ppt, Interactive Media & Svcs. +13ppt). Funds dropped exposure to Banks, despite the strong year-end rally. S&P 500 Bank exposure sits 12ppt lower than where it started 2023, just 3ppt off its SVB lows (Exhibit 6). New Media vs. Banks positioning is >1 std. dev. above average (Exhibit 7), a precursor to Banks historically outperforming New Media by ~4ppt (avg since 2008) over the next 12-mths. An upturn in the cycle ([Global Wave](#)) supports Banks, and our fundamental analysts see potential for re-rating ([Banks outlook](#)).

2024: new highs are in, stock pickers' paradise is next

Half of our 2024 Year Ahead call has been achieved (new S&P 500 highs), but broadening remains elusive. We see reasons for broadening from here – in fact, today might be the best environment for fundamental stock selection. Relative to private investments, public investments reflect higher rates & inflation and are trading near record low relative valuations to private counterparts. Moreover, within the stock market, inefficiencies driven by fewer eyeballs tracking public equity (20% fewer sell-side analysts, 40% fewer active funds than peak, passive > active AUM) are apparent. Within the S&P 500, the gap between cheap and expensive stocks is just off record highs, and encouragingly, idiosyncratic vs. macro risk is above average for S&P 500 stocks.

Everyone says everyone else is bullish....

... but few are positioned for risk-on. The Sell Side increased equity allocations ([SSI](#)), 8 in 10 PMs expect "soft"/"no" landing ([FMS](#)), and AAIL is 14ppt net bullish (vs. 26ppt net bearish in Nov.). But pension funds' allocation to stocks is at multi-decade lows, long only funds added a bit to cyclical sectors (Industrials +2ppt, Materials +1ppt, Disc. +1ppt) but faded others (Energy -2ppt, Fins -1ppt), leaving cyclical vs. defensive exposure still at extremely low levels for LOs and at record lows for HF's. Everyone says the market will broaden, but funds are 50% u/w the S&P 500's smallest quintile (Exhibit 13) and active share is near decade lows. We think the Magnificent 7, which account for roughly 30% of funds' S&P 500 holdings (~1ppt above benchmark weight), but high dividend yielding stocks which offer better income potential over the next three years than cash (capital appreciation would be "gravity") are 50% underweight by LOs.

Equity income inflows would help Utilities, hurt TMT

US households hold \$18tn in cash, up from \$13tn pre-COVID (Exhibit 31) – if short rates fall as expected (our economists forecast 100bp of Fed cuts this year – see [US Economic Viewpoint](#)), retail cash may be used to fund equities, with an emphasis on equity income. Traditional active managers are typically underweight high dividend yield, but equity income funds, which account for over 40% of large cap active AUM, represent the other side of the trade. Income funds are overweight higher dividend yielding sectors vs. the S&P 500 (particularly Utilities) and are most underweight Tech/TMT (Exhibit 38).

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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Refer to important disclosures on page 27 to 29.

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Note: stock-level ownership data for S&P 500 and Russell 1000 stocks are available upon request.

Abbreviations:

LO: long only fund

HF: hedge fund

o/w: overweight

u/w: underweight

PM = Portfolio Manager

AAIL: American Association of Individual Investors

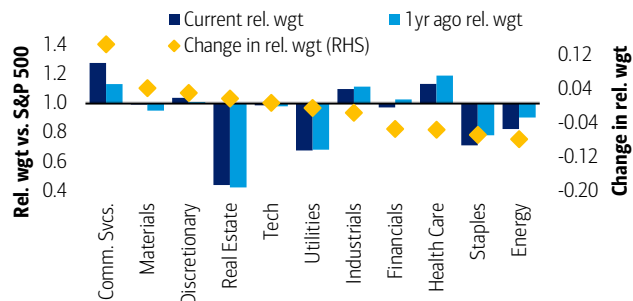
"New Media": "Interactive Media & Services" and "Entertainment" industries.

Magnificent 7: Amazon (AMZN), Apple (AAPL), Tesla (TSLA), Alphabet (GOOG/GOOGL), Nvidia (NVDA), Microsoft (MSFT), Meta Platforms (META).

2023: out with old (Banks, Energy), in with New Media

Exhibit 1: 2023 sector trades: into TMT, out of Energy

Long only funds' positioning relative to S&P 500 as of Dec. 2023 and Dec. 2022

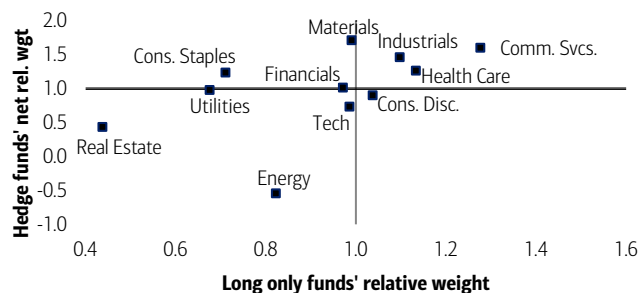


Source: FactSet Ownership, BofA US Equity & Quant Strategy

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Exhibit 2: Industrials, TMT, Health Care = consensus longs; Real Estate & Energy = consensus shorts

LO and HF sector weights relative to the S&P 500 (as of 12/23)

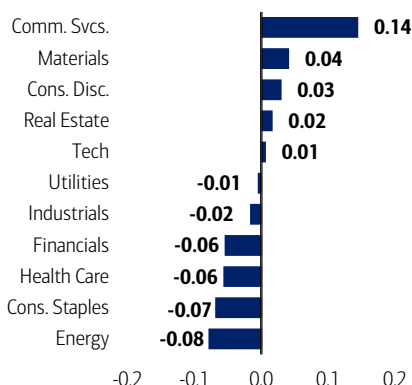


Source: FactSet Ownership, BofA US Equity & Quant Strategy

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Exhibit 3: LOs added to Comm. Svcs., dropped Energy in 2023...

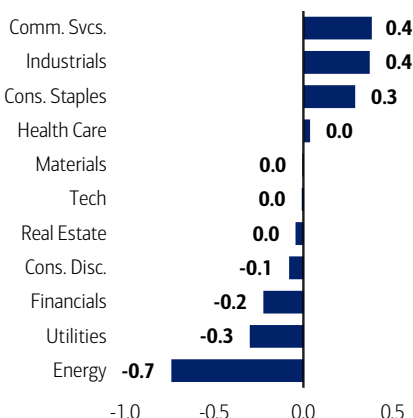
2023 relative weight change in sectors: long only funds



Source: BofA US Equity & Quant Strategy, FactSet Ownership
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Exhibit 4: ... HF made similar sector trades

2023 relative weight change in sectors: hedge funds



Source: BofA US Equity & Quant Strategy, FactSet Ownership
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Exhibit 5: Energy (value) vs. TMT (growth)

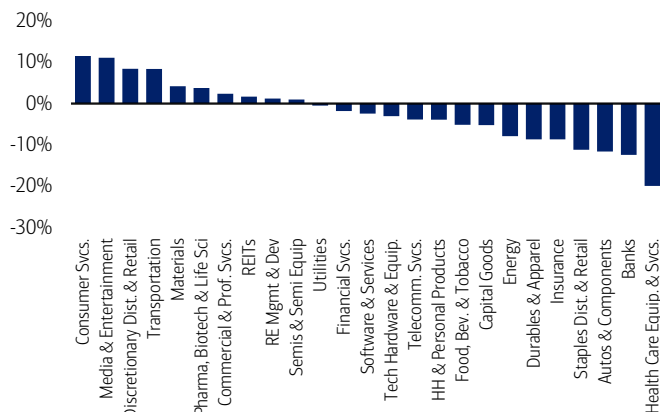
Energy vs Communication Services rel. weight in long only fund holdings (as of 12/2023)



Source: BofA US Equity & Quant Strategy, FactSet Ownership
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Exhibit 6: Long only funds added exposure to Consumer Svcs. & Media, decreased exposure to Banks & HC Services

2023 relative weight change in industry groups: long only funds

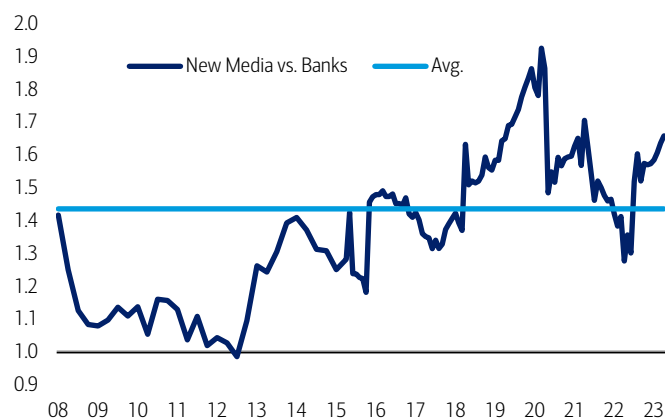


Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Exhibit 7: New Media vs. Banks positioning > 1 std dev above avg.

"New Media" vs. Bank rel. weight in long only fund holdings (as of 12/2023)



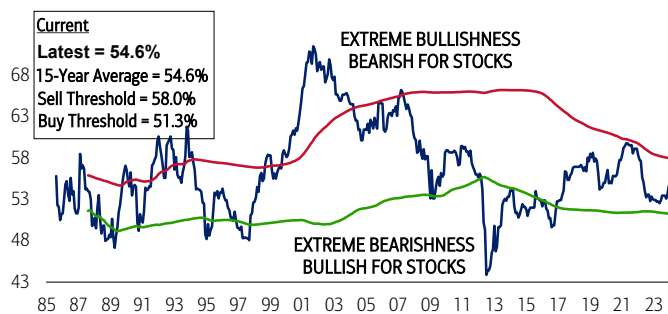
Source: FactSet Ownership, BofA US Equity & Quant Strategy. "New Media" includes the "Interactive Media & Services" and "Entertainment" industries.

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What we say vs. what we do

Exhibit 8: Wall Street's recommended equity allocation jumped (SSI)

Sell Side Indicator, 8/1985-12/2023

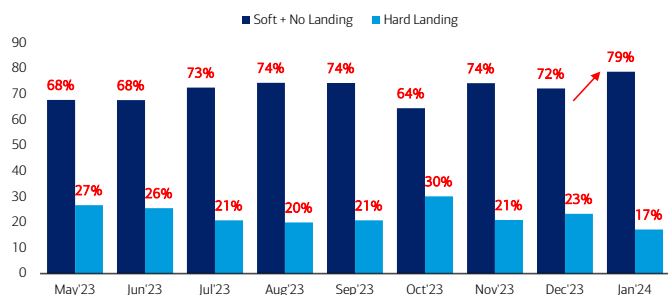


Source: BofA US Equity & Quant Strategy Note: Buy and Sell signals are based on rolling 15-year +/- 1 standard deviation from the rolling 15-year mean. A reading above the red line indicates a Sell signal and a reading below the green line indicates a Buy signal

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Exhibit 10: Investors expect “soft” or “no” landing in 2024 (FMS)

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

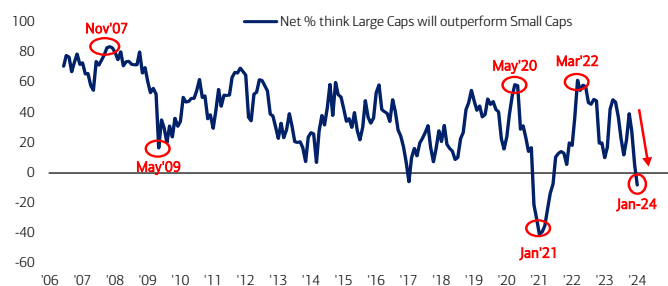


Source: BofA Global Fund Manager Survey

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Exhibit 12: Large expected to lag small (FMS)

Net % FMS investors who think large caps will outperform small caps in the next 12 months

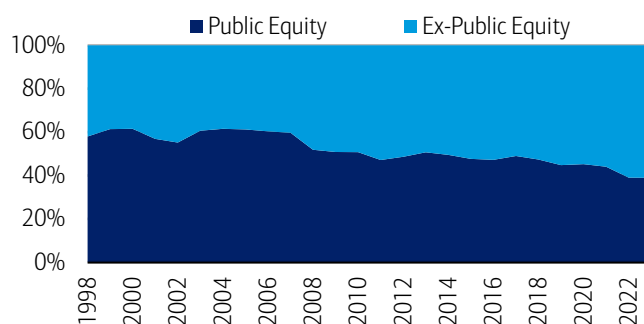


Source: BofA Global Fund Manager Survey

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Exhibit 9: ... but pensions have lowest public equity weight in decades

Pension allocation to public equity

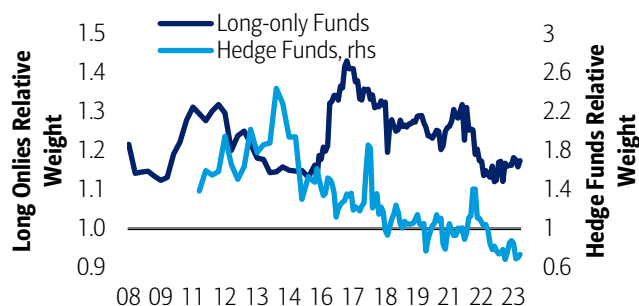


Source: BofA US Equity & US Quant Strategy

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Exhibit 11: ... but LO and hedge fund positioning skews defensive

Long only fund and hedge fund rel. exposure to cyclical vs. defensive* sectors within S&P 500

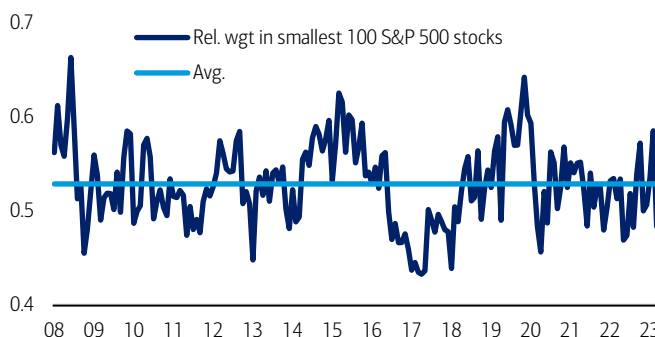


Source: BofA US Equity & Quant Strategy, FactSet Ownership *Cyclicals = Discretionary, Materials, Energy, Tech, Industrials; defensives = Staples, Health Care, Utilities

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Exhibit 13: ... but small size exposure still below average.

LO relative weight in smallest 100 S&P 500 stocks

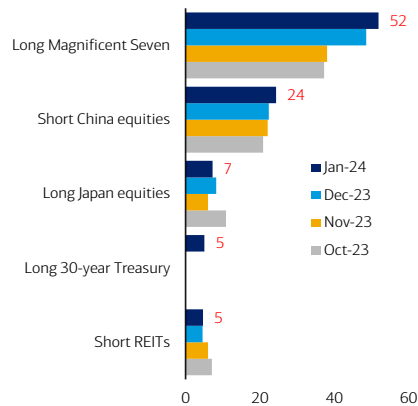


Source: FactSet Ownership, BofA US Equity & Quant Strategy

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Exhibit 14: Investors say “Long Magnificent Seven” is the most crowded trade (FMS)

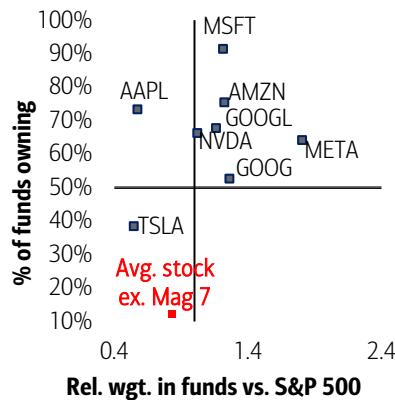
What do you think is currently the most crowded trade?



Source: BofA Global Fund Manager Survey
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Exhibit 15: Positioning data shows most of the Magnificent 7 is overweight

Large cap long only funds holdings in Magnificent 7 (as of 12/31/2023)



Source: FactSet Ownership, BofA US Equity & Quant Strategy
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Exhibit 16: But short interest in Mag7 rising

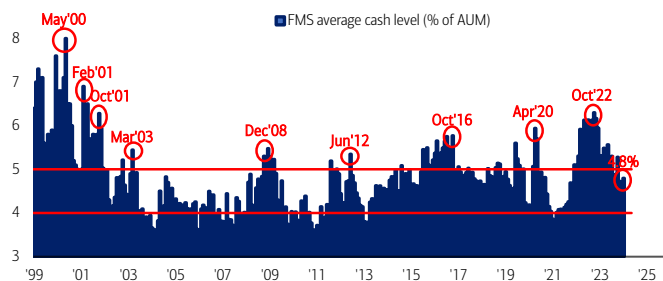
Short interest in Magnificent 7 as a % of market cap (as of Dec. 2023)



Source: FactSet, BofA US Equity & Quant Strategy
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Exhibit 17: BofA Global FMS cash dropped from 6.3% in Oct. 2022 to 4.8% (FMS)

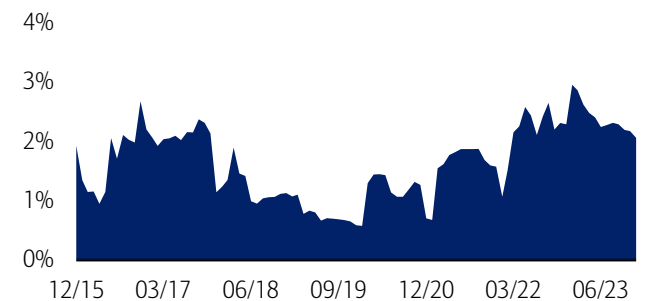
FMS average cash level % AUM



Source: BofA Global Fund Manager Survey
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Exhibit 18: LO cash peaked at 3.0% in Jan. 2023, now 2.1% today

Large cap funds' cash level as a % of their AUM (2015 to present)



Source: BofA US Equity & Quant Strategy, FactSet Ownership

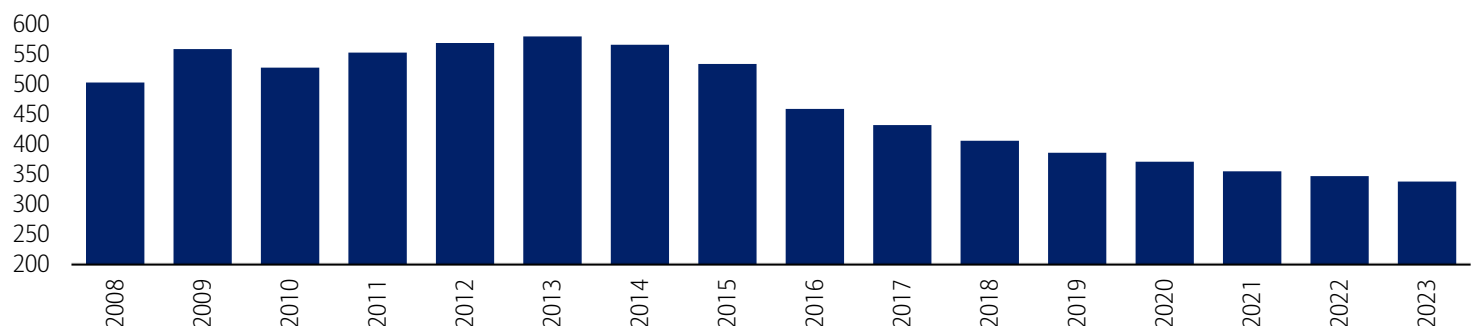
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Get ready for a stock pickers' paradise

Fewer eyeballs means less efficiency, more alpha. The number of analysts covering the average stock has dropped from the peak in 1989 (21 pairs of eyeballs) to about 17 today. The number of active large cap mutual funds dropped 40% from 2014 to today.

Exhibit 19: # of large cap mutual funds down 40% since 2013

of large cap mutual funds in our holdings database



Source: BofA US Equity & Quant Strategy, FactSet

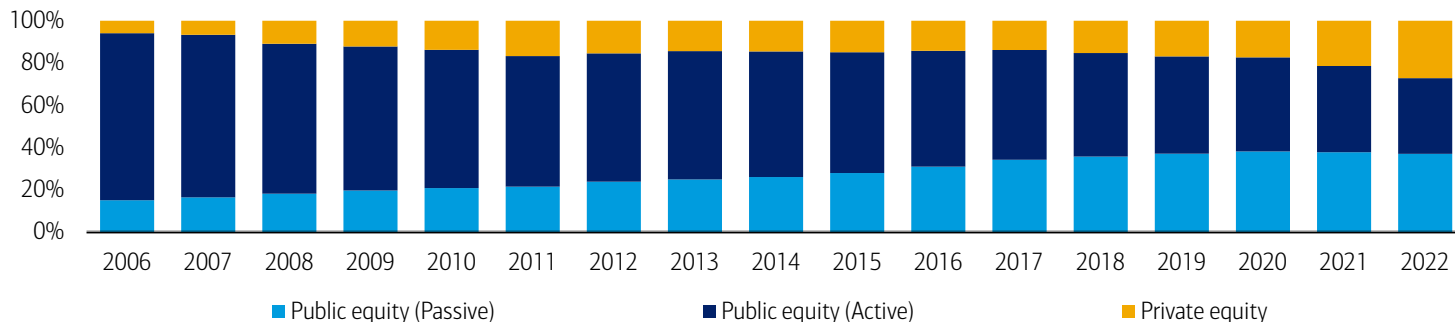
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Where did all the fundamental investors go?

Active equity exposure of asset owners shrank, private and passive equity AUM growth took at least half of active stock pickers' share since 2006.

Exhibit 20: Fundamental active equity squeezed out by passive & private

Pension allocation: Public equity (Active)*, Public equity (Passive)*, Private Equity as a % of total equity



Source: BofA US Equity & Quant Strategy, FactSet. Pensions & Investments, Strategic Insights, SimFund, BofA US Equity & US Quant Strategy. Based on US pension funds within the top 1000 that have available asset allocations. Total equity includes public equity (global, international, and domestic) and private equity. *We make assumptions on mix shift based on SimFund US AUM tracked in passive vs active.

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Public vs. private investments near record cheapness

The typical discount for private vs. public (proxied by debt markets) has all but disappeared (Exhibit 21), indicating little risk priced into private equity. But asset growth in private markets accelerated when real rates were negative and consensus expected lower for longer rates and inflation. Private equity assets under management almost doubled from 2018 to 2021. A sectoral breakdown indicates that beneficiaries of low interest rates (long duration Tech & Biotech) made up 75% of that growth. The S&P 500 grew by a lesser 50% over that period, and since the Fed began hiking, publicly traded beneficiaries of ultra-low rates and inflation have been marked lower (SPACs, Bitcoin ~50% lower than pre-hiking levels). Limited risk is priced into private investments, but public investments reflect the reset higher in rates and inflation.

Exhibit 21: Spread between private co's cost of debt and overall high yield market at 10th percentile

Spread between small private Bs/CCCs vs. overall high yield (2011-1/5/24)



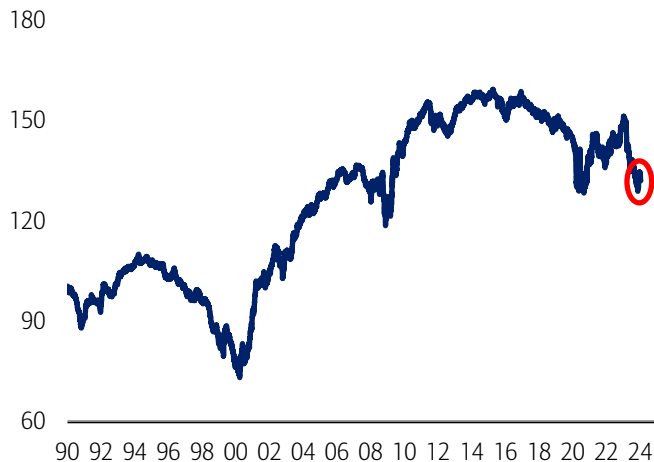
Source: BofA Global Research

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Market breadth improving, and conviction levels are low

Exhibit 22: Equal-weighted S&P 500 began to lead in November

Relative perf. of equal-weighted S&P 500 vs. cap-weighted (as of 1/15/2024)

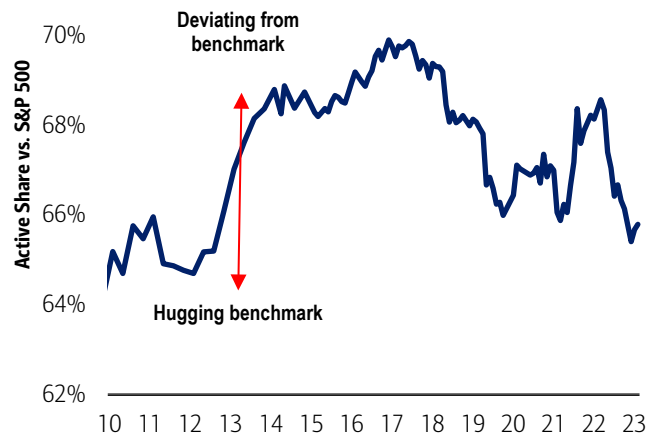


Source: Bloomberg, BofA US Equity & Quant Strategy

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Exhibit 23: More benchmark hugging = waning investor conviction

Active share ratio of core managers vs. S&P 500 (Nov 2010- Dec. 2023)

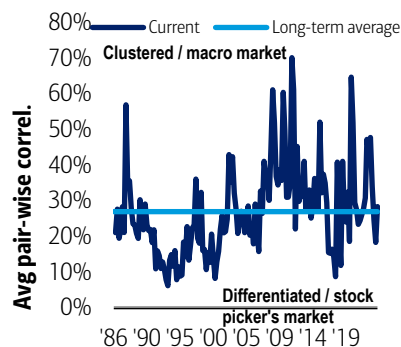


Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Exhibit 24: Pair-wise correlations lower = more micro, less macro

Avg. pair-wise stock correl. based on 90-day periods, daily (as of 12/23)

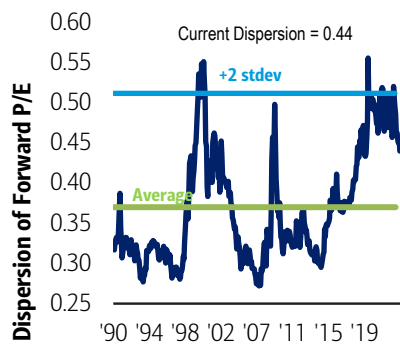


Source: FactSet, BofA US Equity & US Quant Strategy

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Exhibit 25: High P/E dispersion = alpha from mean reversion

S&P 500 valuation dispersion of fwd P/E (std. dev / avg) (1990-12/23)

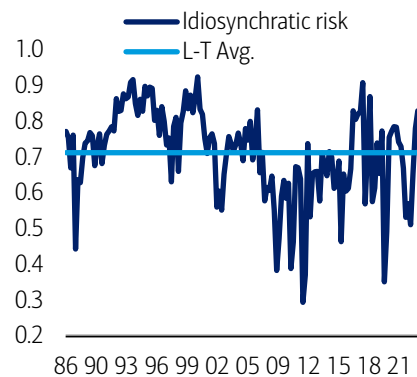


Source: FactSet, BofA US Equity & US Quant Strategy

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Exhibit 26: Idiosyncratic risk jumped above average in 2023 and this year

S&P 500: Avg. idiosyncratic risk (prior 66 days)

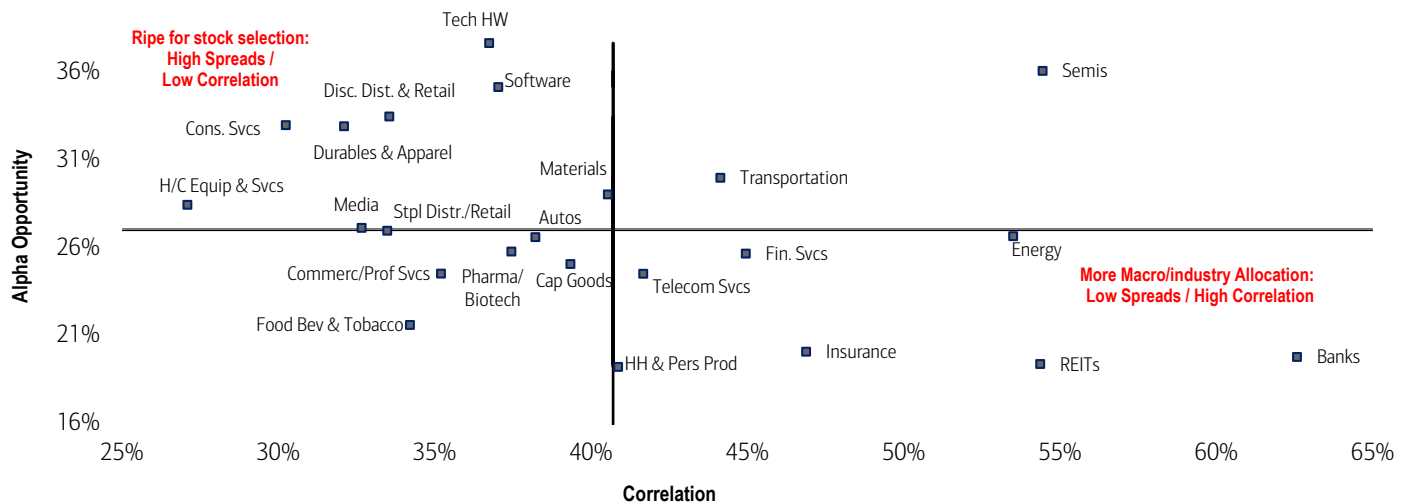


Source: FactSet, BofA US Equity & US Quant Strategy

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Exhibit 27: Pick your battles: correlations vs. dispersion by sector

Historical Intra-stock correlation vs. performance spread (3Q86 to 4Q23)



Source: FactSet, BofA US Equity & US Quant Strategy

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Dividend yield: neglected, cheap, TINA 2.0Also see [five reasons for dividend yield in 2024](#).**Exhibit 28: Dividend yield is unloved by traditional active funds...**

LO relative weight in high dividend yield factor (2008-present)



Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Exhibit 29: ... and relatively inexpensive vs. history

Fwd P/E of high dividend yield factor relative to the equal-weighted S&P 500 (2001-present)



Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Only six of the 50 highest dividend yielding stocks are not underweight by LOs. All offer higher income potential than cash yields, based on BofA Economists' forecasts for Fed easing over the next several years. That's just the income – capital appreciation would be "gravity".

Exhibit 30: Top decile of S&P 500 by dividend yield

As of Dec.2023

Name	Ticker	Sector	Price as of 12/2023	Dividend Yield	LO Rel. Wgt
ALTRIA GROUP INC	MO	Consumer Staples	40.34	9.7%	0.62
VERIZON COMMUNICATIONS INC	VZ	Communication Services	37.7	7.1%	0.13
AT&T INC	T	Communication Services	16.78	6.6%	0.04
KINDER MORGAN INC	KMI	Energy	17.64	6.4%	0.13
DEVON ENERGY CORP	DVN	Energy	45.3	6.3%	0.06
PIONEER NATURAL RESOURCES CO	PXD	Energy	224.88	6.2%	1.52
HEALTHPEAK PROPERTIES INC	PEAK	Real Estate	19.8	6.1%	0.09
PFIZER INC	PFE	Health Care	28.79	5.8%	0.54
WHIRLPOOL CORP	WHR	Consumer Discretionary	121.77	5.7%	1.11
KEYCORP	KEY	Financials	14.4	5.7%	0.26
DOMINION ENERGY INC	D	Utilities	47	5.7%	0.76
ONEOK INC	OKE	Energy	70.22	5.6%	0.01
TRUIST FINANCIAL CORP	TFC	Financials	36.92	5.6%	0.84
BOSTON PROPERTIES INC	BXP	Real Estate	70.17	5.6%	0.16
PHILIP MORRIS INTERNATIONAL	PM	Consumer Staples	94.08	5.5%	1.39
3M CO	MMM	Industrials	109.32	5.5%	0.11
HASBRO INC	HAS	Consumer Discretionary	51.06	5.5%	1.25
CROWN CASTLE INC	CCI	Real Estate	115.19	5.4%	0.31
REALTY INCOME CORP	O	Real Estate	57.42	5.4%	0.01
SIMON PROPERTY GROUP INC	SPG	Real Estate	142.64	5.3%	0.09
LYONDELLBASELL INDUSTRIES NV	LYB	Materials	95.08	5.3%	1.01
VICI PROPERTIES INC	VICI	Real Estate	31.88	5.2%	0.36
AMCOR PLC	AMCR	Materials	9.64	5.2%	0.01
WILLIAMS COS INC	WMB	Energy	34.83	5.1%	0.56
INTL PAPER CO	IP	Materials	36.15	5.1%	0.30
DOW INC	DOW	Materials	54.84	5.1%	0.08
COMERICA INC	CMA	Financials	55.81	5.1%	0.00
CITIZENS FINANCIAL GROUP INC	CFG	Financials	33.14	5.1%	1.87
REGIONS FINANCIAL CORP	RF	Financials	19.38	5.0%	0.08
EVERGY INC	EVERG	Utilities	52.2	4.9%	0.28
FORD MOTOR CO	F	Consumer Discretionary	12.19	4.9%	0.01
PINNACLE WEST CAPITAL CORP	PNW	Utilities	71.84	4.9%	0.06
CONAGRA BRANDS INC	CAG	Consumer Staples	28.66	4.9%	0.18
HUNTINGTON BANCSHARES	HBAN	Financials	12.72	4.9%	0.16
PRUDENTIAL FINANCIAL INC	PRU	Financials	103.71	4.8%	0.05
BEST BUY CO INC	BBY	Consumer Discretionary	78.28	4.7%	0.11
BRISTOL-MYERS SQUIBB CO	BMJ	Health Care	51.31	4.7%	0.84
PRICE (T. ROWE) GROUP	TROW	Financials	107.69	4.5%	0.13
US BANCORP	USB	Financials	43.28	4.5%	0.70
KIMCO REALTY CORP	KIM	Real Estate	21.31	4.5%	0.46
INVESCO LTD	IVZ	Financials	17.84	4.5%	0.01
FIRSTENERGY CORP	FE	Utilities	36.66	4.5%	0.97
ENTERGY CORP	ETR	Utilities	101.19	4.5%	0.91
UDR INC	UDR	Real Estate	38.29	4.4%	0.02
EVERSOURCE ENERGY	ES	Utilities	61.72	4.4%	0.03
AMERICAN ELECTRIC POWER CO	AEP	Utilities	81.22	4.3%	0.44
EQUITY RESIDENTIAL	EQR	Real Estate	61.16	4.3%	0.29
KRAFT HEINZ CO	KHC	Consumer Staples	36.98	4.3%	0.72

Source: FactSet, BofA US Equity & Quant Strategy. This screen is not a recommended list either individually or as a group of stocks. Investors should consider the fundamentals of the companies and their own individual circumstances/objectives before making any investment decision.

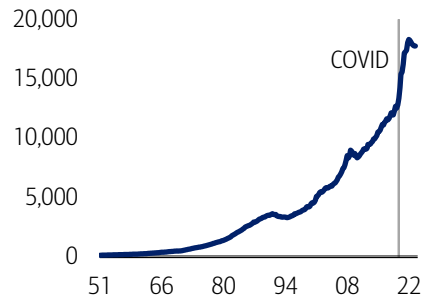
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TINA 2.0: equity income

We expect more cash to revert to equity income as retirees reach for yield as cash yields ebb. Retirees hold 2/3rds of total net worth and are generating a spread on high cash yields and low mortgage costs.

Exhibit 31: Households have \$18tn in cash, up from \$13tn pre-COVID

US household cash (\$tn)

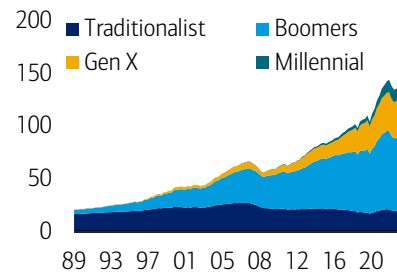


Source: BofA Research Investment Committee, Haver, Federal Reserve FoF

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Exhibit 32: Household net worth = \$142T (520% of GDP). Boomers + Traditionalists = 2/3 of total net worth. Lower fed funds rate = less compelling income from cash

Household net worth by generation (1989-3Q23)

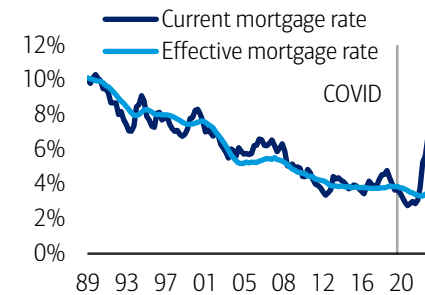


Source: Haver Analytics, BofA US Equity & Quant Strategy

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Exhibit 33: Effective mortgage rate (liability cost) is 3.7%

Current mortgage rate vs. effective rate on all mortgage debt outstanding (1989-3Q23)



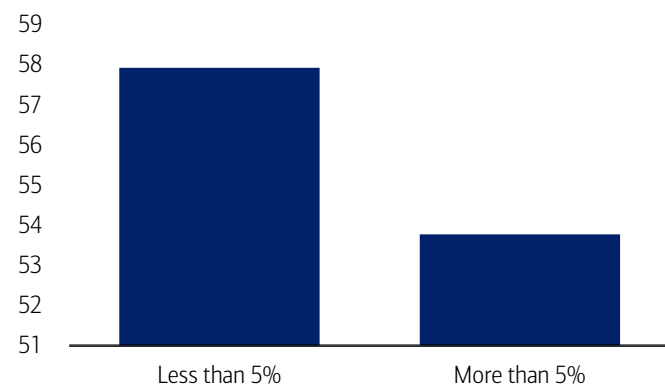
Source: Bloomberg, BofA US Equity & Quant Strategy

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The 5% tipping point: based on our Sell Side indicator data history as well as the [RIC Report](#), investors allocate more toward equities when cash yields are below 5%, and vice versa.

Exhibit 34: 5% cash yield mark the tipping point for higher / lower equity allocations

Sell side indicator bucketed by 3m US treasury yield (Aug 1985 to Dec 2023)

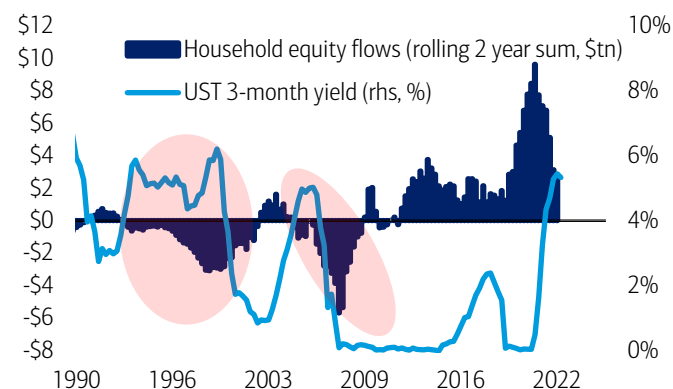


Source: BofA US Equity & Quant Strategy, Bloomberg

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Exhibit 35: Households typically sell stocks once cash pays >4.5%

3-month US treasury yield vs US household equity flows



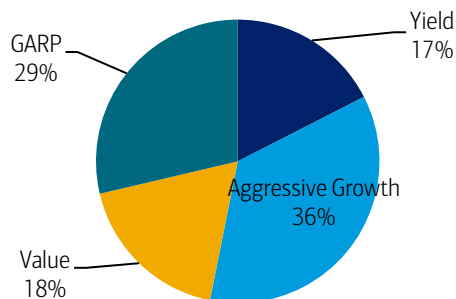
Source: BofA Research Investment Committee, Haver, Federal Reserve FoF, Bloomberg. Note: Flow data through 3Q22. Household equity flows are based on buying/selling of single name equities and equity mutual fund shares.

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Income fund positioning

Exhibit 36: Income funds have grown from less than 20% of active AUM in 2010...

Active equity AUM landscape by fund category – Aug 2010

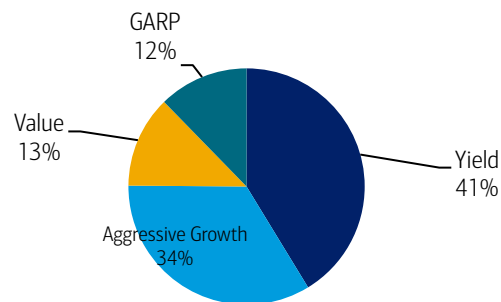


Source: BofA US Equity & US Quant Strategy, FactSet Ownership

BofA GLOBAL RESEARCH

Exhibit 37: ... to over 40% of active funds today

Active equity AUM landscape by fund category – present

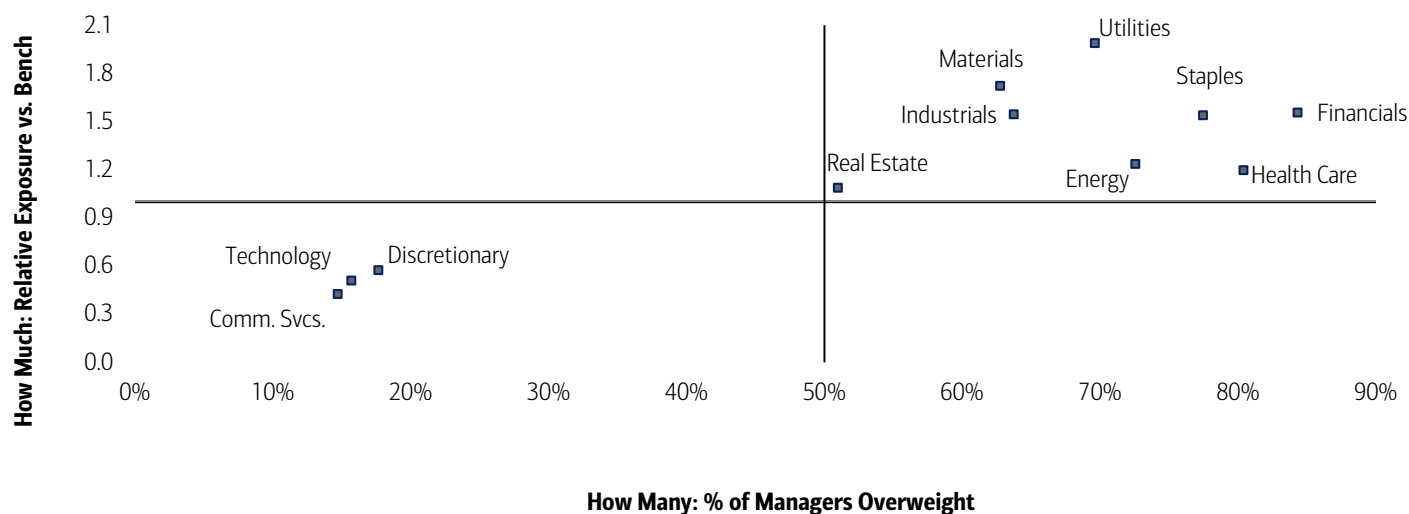


Source: BofA US Equity & US Quant Strategy, FactSet Ownership

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Exhibit 38: Income fund managers are most overweight Utilities

Income fund sector positioning vs. S&P 500 as of Dec. 2023



Source: FactSet Ownership, BofA US Equity & Quant Strategy

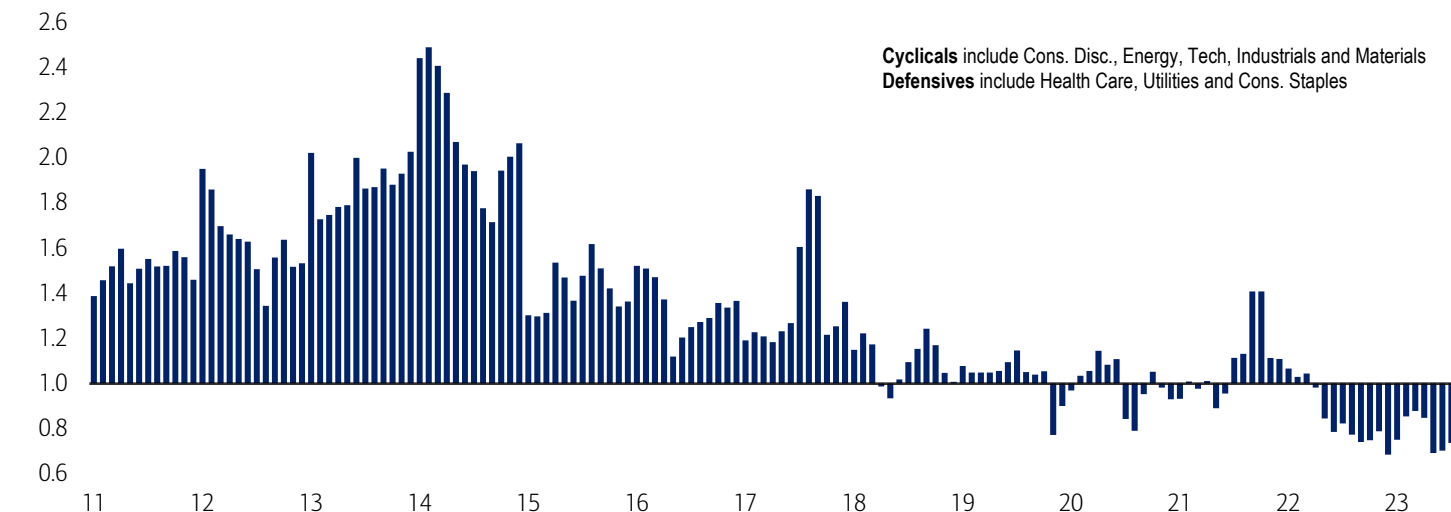
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Hedge fund positioning

We analyze hedge fund managers' positioning in the S&P 500 stocks by aggregating their long positions reported through the 13F filings, and by estimating their short positions based on exchange-reported data. We estimate that hedge funds account for 85% of the total short interest. The net exposure of hedge funds (HFs) is defined as their reported long exposure less their estimated short exposure.

Exhibit 39: Hedge funds' exposure to cyclical vs. defensive sectors is near an all-time low

Hedge funds' cyclical vs. defensive positioning (as of Dec. 2023)



Source: BofA US Equity & Quant Strategy, FactSet Ownership

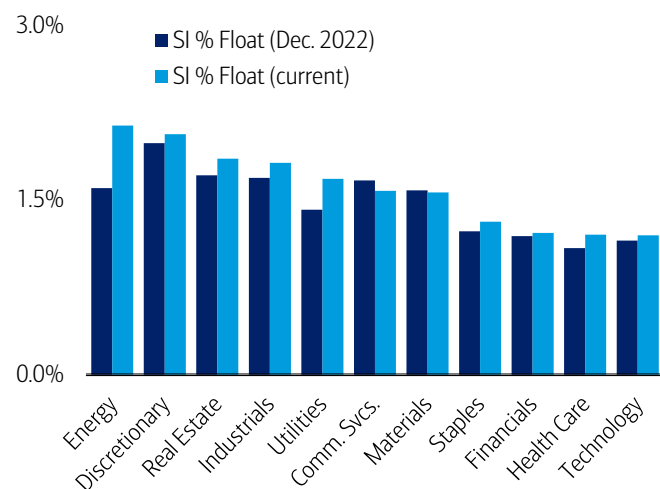
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The longest and the shortest sectors

Energy is the most shorted sector while Tech is the least shorted.

Exhibit 40: Energy has seen the largest increase in short interest since Dec. 2022

Current short interest as a % of Float vs. Dec. 2022 by sector

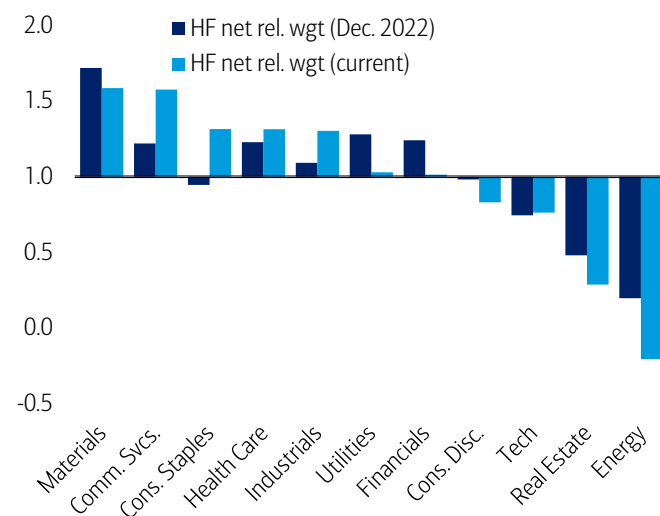


Source: BofA US Equity & Quant Strategy, FactSet

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Exhibit 41: Comm. Svcs. saw the largest increase in hedge fund net relative exposure in 2023

Current net relative weight in sectors vs. Dec. 2022



Source: BofA US Equity & Quant Strategy, FactSet

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Hedge Fund longs and shorts

Below we provide screens of S&P 500 stocks with the most (Exhibit 42) and the least (Exhibit 43) short interest as a % of float where, as noted earlier, we estimate that 85% of total short interest in stocks is from hedge funds. We also include screens of S&P 500 stocks most overweight (Exhibit 44) and underweight (Exhibit 45) by hedge funds, relative to the stocks' weight in the S&P 500.

Exhibit 42: Tractor Supply (TSCO) most shorted stock

Top 20 S&P 500 stocks by short Interest (by % of float), Dec. 2023

Ticker	Company	Sector	Short interest as a % of float
TSCO	Tractor Supply	Cons. Disc.	12.1
ALB	Albemarle	Materials	12.0
KMX	CarMax, Inc.	Cons. Disc.	11.7
PARA	Paramount Global	Comm. Svcs.	11.6
ETSY	Etsy, Inc.	Cons. Disc.	11.1
RL	Ralph Lauren	Cons. Disc.	10.6
POOL	Pool	Cons. Disc.	10.5
WHR	Whirlpool	Cons. Disc.	10.0
NCLH	Norwegian Cruise Line Holdings Ltd.	Cons. Disc.	9.6
NRG	NRG Energy, Inc.	Utilities	9.1
CHRW	C.H. Robinson Worldwide, Inc.	Industrials	9.0
AAL	American Airlines, Inc.	Industrials	9.0
CCLU	Carnival Corporation	Cons. Disc.	8.6
GM	General Motors	Cons. Disc.	8.4
ZION	Zions Bancorporation, N.A.	Financials	7.6
WAT	Waters	Health Care	7.4
ENPH	Enphase Energy, Inc.	Tech	7.3
FOXA	Fox	Comm. Svcs.	6.7
RCL	Royal Caribbean	Cons. Disc.	6.6
TROW	T. Rowe Price	Financials	6.5

Source: BofA US Equity & Quant Strategy, FactSet Ownership

This screen is not a recommended list either individually or as a group of stocks. Investors should consider the fundamentals of the companies and their own individual circumstances/objectives before making any investment decision.

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Exhibit 43: Walmart (WMT) is the least shorted stock

Bottom 20 S&P 500 stocks by short Interest (by % of float), Dec. 2023

Ticker	Company	Sector	Short interest as a % of float
WMT	Walmart Inc.	Cons. Staples	0.42
CINF	Cincinnati Financial	Financials	0.50
MA	Mastercard	Financials	0.51
JNJ	Johnson & Johnson	Health Care	0.52
LLY	Eli Lilly	Health Care	0.54
PM	Philip Morris International Inc.	Cons. Staples	0.54
BRK.B	Berkshire Hathaway Inc.	Financials	0.54
ORCL	Oracle	Tech	0.55
KO	Coca-Cola	Cons. Staples	0.57
RSG	Republic Services, Inc.	Industrials	0.60
PGR	Progressive	Financials	0.61
MMC	Marsh & McLennan Companies	Financials	0.62
PG	Procter & Gamble	Cons. Staples	0.62
BSX	Boston Scientific	Health Care	0.64
ECL	Ecolab Inc.	Materials	0.64
JPM	JPMorgan Chase & Co.	Financials	0.65
ZTS	Zoetis, Inc.	Health Care	0.66
GOOG	Alphabet Inc.	Comm. Svcs.	0.66
MDT	Medtronic Plc	Health Care	0.67
ABT	Abbott Laboratories	Health Care	0.68

Source: BofA US Equity & Quant Strategy, FactSet Ownership

This screen is not a recommended list either individually or as a group of stocks. Investors should consider the fundamentals of the companies and their own individual circumstances/objectives before making any investment decision.

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Exhibit 44: Incyte (INCY) has the highest net exposure by HF

Top 20 S&P 500 stocks by HF net relative exposure, Dec. 2023

Ticker	Company	Sector	HF net relative weight
INCY	Incyte	Health Care	38.16
BBWI	Bath & Body Works, Inc.	Cons. Disc.	28.77
TDG	TransDigm	Industrials	14.45
LW	Lamb Weston Holdings, Inc.	Cons. Staples	12.78
EG	Everest Group	Financials	12.51
CZR	Caesars Entertainment Inc	Cons. Disc.	12.41
UHS	Universal Health Services, Inc.	Health Care	11.58
IVZ	Invesco Ltd.	Financials	11.47
HLT	Hilton Worldwide Holdings Inc	Cons. Disc.	9.47
PTC	PTC Inc.	Tech	9.46
TRGP	Targa Resources Corp.	Energy	9.19
DLTR	Dollar Tree, Inc.	Cons. Staples	9.06
KVUE	Kenvue, Inc.	Cons. Staples	8.75
WDC	Western Digital	Tech	8.62
QRVO	Qorvo, Inc.	Tech	8.62
NDAQ	Nasdaq, Inc.	Financials	7.94
NI	NiSource Inc	Utilities	7.93
VRSN	VeriSign, Inc.	Tech	7.92
IFF	International Flavors & Fragrances Inc.	Materials	7.84
GEN	Gen Digital Inc.	Tech	7.78

Source: BofA US Equity & Quant Strategy, FactSet Ownership

This screen is not a recommended list either individually or as a group of stocks. Investors should consider the fundamentals of the companies and their own individual circumstances/objectives before making any investment decision.

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Exhibit 45: Tractor Supply (TSCO) has the lowest net exposure by HF

Bottom 20 S&P 500 stocks by HF net relative exposure, Dec. 2023

Ticker	Company	Sector	HF net relative weight
TSCO	Tractor Supply	Cons. Disc.	-12.01
ALB	Albemarle	Materials	-11.09
PARA	Paramount Global	Comm. Svcs.	-9.81
WHR	Whirlpool	Cons. Disc.	-7.79
WAT	Waters	Health Care	-7.02
KMX	CarMax, Inc.	Cons. Disc.	-6.96
NCLH	Norwegian Cruise Line Holdings Ltd.	Cons. Disc.	-5.97
URI	United Rentals, Inc.	Industrials	-5.39
POOL	Pool	Cons. Disc.	-5.33
OXY	Occidental Petroleum	Energy	-5.30
MRNA	Moderna, Inc.	Health Care	-5.06
TROW	T. Rowe Price	Financials	-4.96
CHRW	C.H. Robinson Worldwide, Inc.	Industrials	-4.70
NWS	News	Comm. Svcs.	-3.93
ENPH	Enphase Energy, Inc.	Tech	-3.88
BBY	Best Buy Co., Inc.	Cons. Disc.	-3.69
CE	Celanese	Materials	-3.59
BX	Blackstone Inc	Financials	-3.52
RTX	Raytheon Technologies	Industrials	-3.29
RL	Ralph Lauren	Cons. Disc.	-3.23

Source: BofA US Equity & Quant Strategy, FactSet Ownership

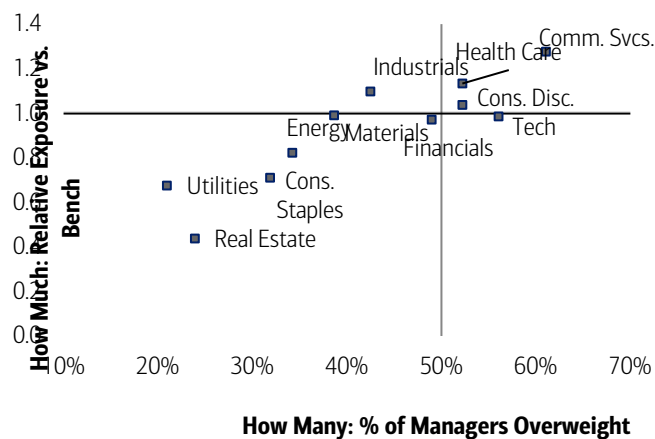
This screen is not a recommended list either individually or as a group of stocks. Investors should consider the fundamentals of the companies and their own individual circumstances/objectives before making any investment decision.

BofA GLOBAL RESEARCH

Long only fund positioning

Exhibit 46: Long only fund managers are most overweight Comm. Svcs.

Long only fund sector positioning as of Dec. 2023

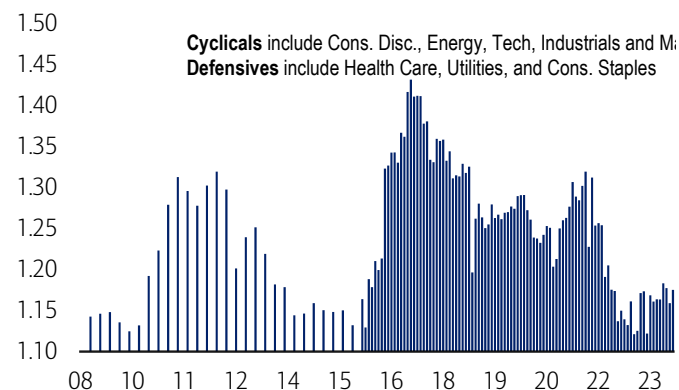


Source: FactSet Ownership, BofA US Equity & Quant Strategy

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Exhibit 47: Long only funds' exposure to cyclical vs. defensive sectors has ticked up from near an all-time low, but is still below avg.

Long only fund relative positioning in cyclical vs. defensive sectors, Dec. 2023

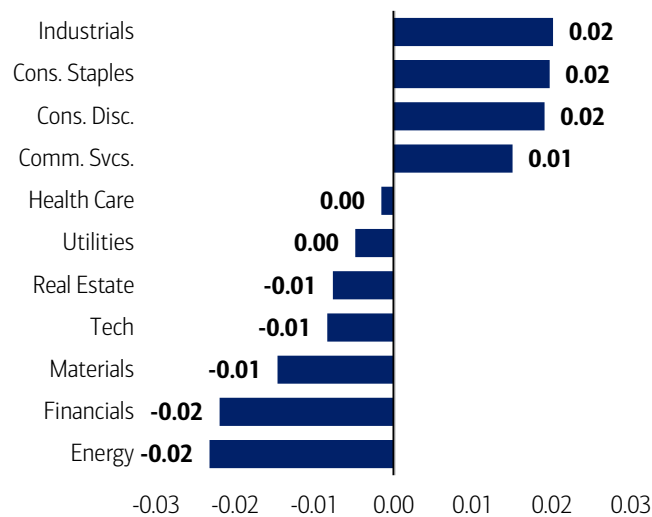


Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Exhibit 48: Last 3 months: Long only funds added exposure to Industrials, decreased exposure to Energy

3m relative weight change: long only funds, as of Dec. 2023

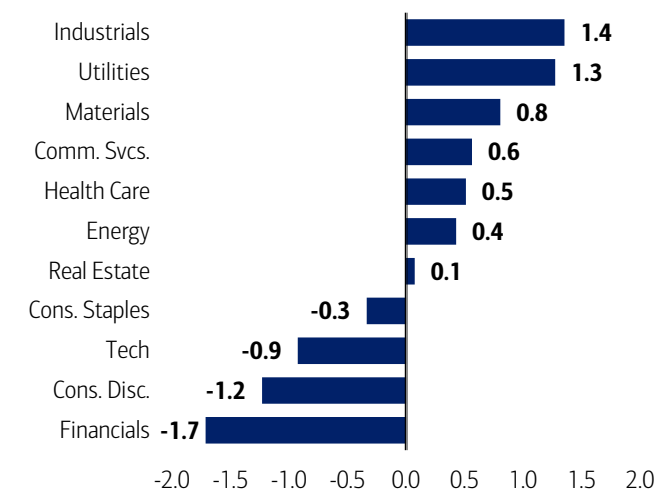


Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Exhibit 49: Industrials and Utilities are most overweight vs. history, Financials & Discretionary are most underweight vs. history

Latest long only fund sector exposure as the Z-score vs. history, as of Dec. 2023



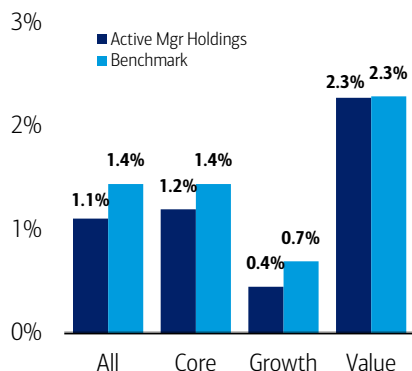
Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Active long only fund characteristics

Exhibit 50: PMs have lower dividend yields than benchmarks

Dividend Yield exposure by manager style as of Dec. 2023

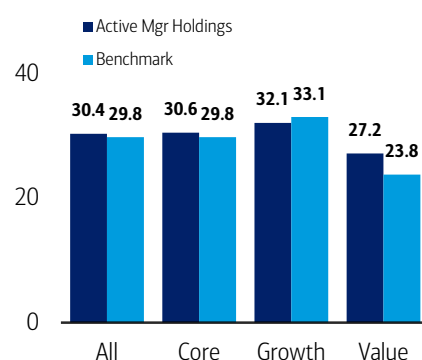


Source: BofA US Equity & US Quant Strategy, FactSet Ownership. Benchmarks used: Russell 1000 Growth for Growth funds; Russell 1000 Value for Value funds; S&P 500 for All and Core funds.

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Exhibit 51: Value managers are longer duration than benchmarks

Equity Duration exposure by manager style as of Dec. 2023

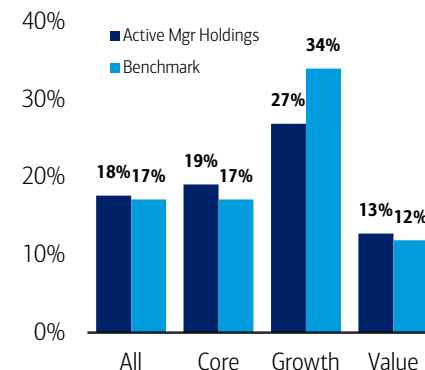


Source: BofA US Equity & US Quant Strategy, FactSet Ownership. Benchmarks used: Russell 1000 Growth for Growth funds; Russell 1000 Value for Value funds; S&P 500 for All and Core funds.

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Exhibit 52: Growth managers are underweight quality

1-yr ROE exposure by manager style as of Dec. 2023

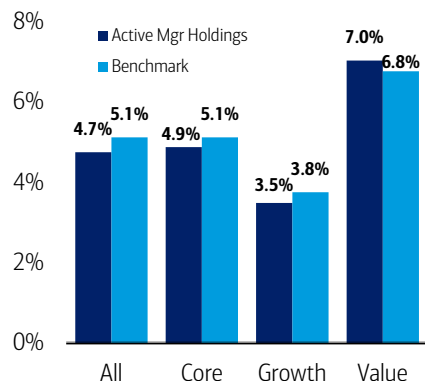


Source: BofA US Equity & US Quant Strategy, FactSet Ownership. Benchmarks used: Russell 1000 Growth for Growth funds; Russell 1000 Value for Value funds; S&P 500 for All and Core funds.

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Exhibit 53: Growth and Core managers own more expensive stocks on Fwd PE

Forward Earnings Yield exposure by manager style as of Dec. 2023

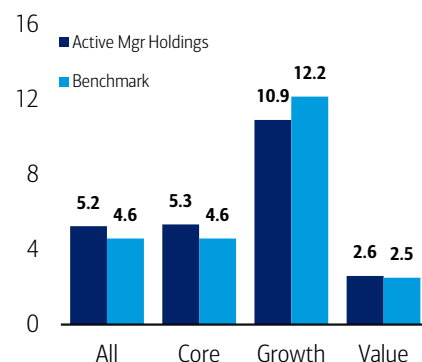


Source: BofA US Equity & US Quant Strategy, FactSet Ownership. Benchmarks used: Russell 1000 Growth for Growth funds; Russell 1000 Value for Value funds; S&P 500 for All and Core funds.

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Exhibit 54: Core managers hold more expensive stocks on Price/Book than their benchmark

Price to Book Value exposure by manager style as of Dec. 2023

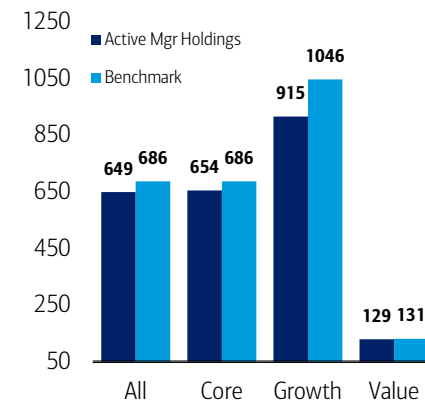


Source: BofA US Equity & US Quant Strategy, FactSet Ownership. Benchmarks used: Russell 1000 Growth for Growth funds; Russell 1000 Value for Value funds; S&P 500 for All and Core funds.

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Exhibit 55: Managers have a smaller average market cap than their benchmarks

Market Cap exposure by manager style as of Dec. 2023



Source: BofA US Equity & US Quant Strategy, FactSet Ownership. Benchmarks used: Russell 1000 Growth for Growth funds; Russell 1000 Value for Value funds; S&P 500 for All and Core funds.

BofA GLOBAL RESEARCH

Sectors

Most crowded and neglected S&P 500 stocks

Note: stock-level ownership data for all S&P 500, Russell 1000 and Russell 2000 stocks based on this methodology are available upon request.

Exhibit 56: Most crowded stock within each sector

As of Dec. 2023

Sector	Ticker	Company Name	Rel. Wgt	% of Funds Owning
Comm. Svcs.	NFLX	Netflix, Inc.	2.13	41.4%
Discretionary	CMG	Chipotle Mexican Grill, Inc.	2.67	26.0%
Staples	EL	Estee Lauder Companies	1.70	23.1%
Energy	EOG	EOG Resources, Inc.	1.99	23.4%
Financials	MMC	Marsh & McLennan Companies	2.29	25.1%
Health Care	LLY	Eli Lilly and Company	1.82	54.7%
Industrials	GE	General Electric Company	2.62	19.8%
Technology	NOW	ServiceNow, Inc.	1.82	39.3%
Materials	FCX	Freeport-McMoRan, Inc.	1.40	17.2%
Real Estate	AMT	American Tower Corporation	1.04	26.0%
Utilities	CEG	Constellation Energy Corporation	2.68	10.7%

Source: BofA US Equity & Quant Strategy, FactSet Ownership. Most crowded stock in each sector based on an average rank score of relative weight and % of funds owning. This screen is not a recommended list either individually or as a of stocks. Investors should consider the fundamentals of the companies and their own individual circumstances/objectives before making any investment decision

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Exhibit 57: Most neglected stock within each sector

As of Dec. 2023

Sector	Ticker	Company Name	Rel. Wgt	% of Funds Owning
Comm. Svcs.	NWS	News Corporation Class B	0.01	1.8%
Discretionary	GRMN	Garmin Ltd.	0.01	2.4%
Staples	CPB	Campbell Soup Company	0.01	2.4%
Energy	TRGP	Targa Resources Corp.	0.04	4.4%
Financials	CMA	Comerica Incorporated	0.00	1.8%
Health Care	BIO	Bio-Rad Laboratories, Inc.	0.01	2.4%
Industrials	LDOS	Leidos Holdings, Inc.	0.04	2.1%
Technology	GEN	Gen Digital Inc.	0.05	3.8%
Materials	AMCR	Amcor PLC	0.01	2.1%
Real Estate	CPT	Camden Property Trust	0.00	1.2%
Utilities	LNT	Alliant Energy Corp	0.00	1.5%

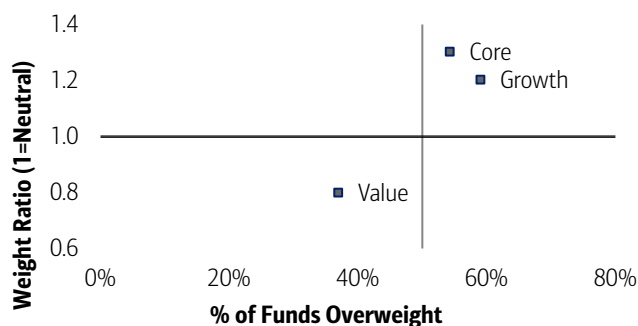
Source: BofA US Equity & Quant Strategy, FactSet Ownership. Most neglected stock in each sector based on an average rank score of relative weight and % of funds owning. This screen is not a recommended list either individually or as a of stocks. Investors should consider the fundamentals of the companies and their own individual circumstances/objectives before making any investment decision

BofA GLOBAL RESEARCH

Communication Services

Exhibit 58: Core managers are 30% overweight Communication Services

Fund Managers' positioning in Communication Services sector, Dec. 2023

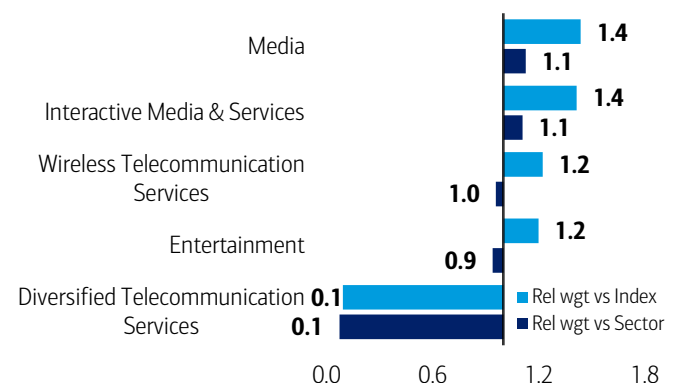


Source: BofA US Equity & Quant Strategy, FactSet Ownership. Benchmarks used: Russell 1000 Growth for Growth funds; Russell 1000 Value for Value funds; S&P 500 for Core funds.

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Exhibit 59: Fund managers are most overweight Media

Industry Exposure (All Styles), Dec. 2023

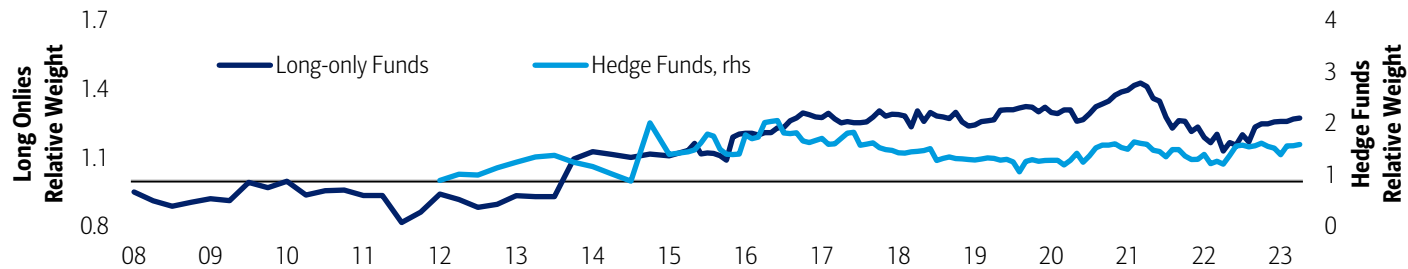


Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Exhibit 60: Crowding risk in Communication Services after strong 2023 performance

Funds' relative weight in Communication Services vs. S&P 500 index over time (as of Dec. 2023)

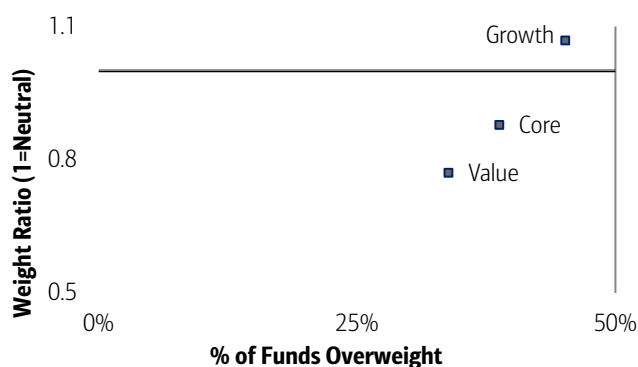


Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Consumer Discretionary**Exhibit 61: Value and Core managers are underweight Consumer Discretionary**

Fund Managers' positioning in Consumer Discretionary sector, Dec. 2023

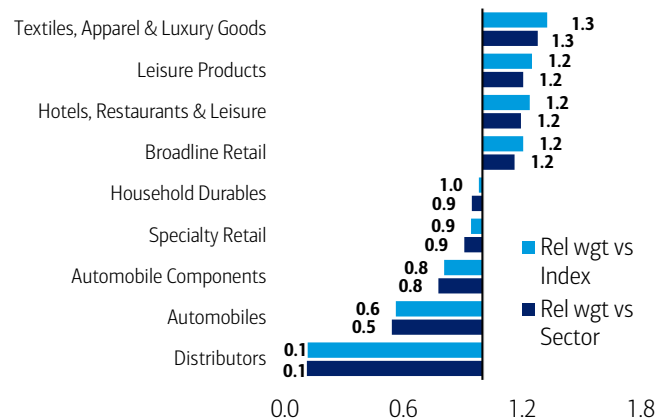


Source: BofA US Equity & Quant Strategy, FactSet Ownership. Benchmarks used: Russell 1000 Growth for Growth funds; Russell 1000 Value for Value funds; S&P 500 for Core funds.

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Exhibit 62: Fund managers are most overweight Textiles, Apparel & Luxury Goods

Industry Exposure (All Styles), Dec. 2023

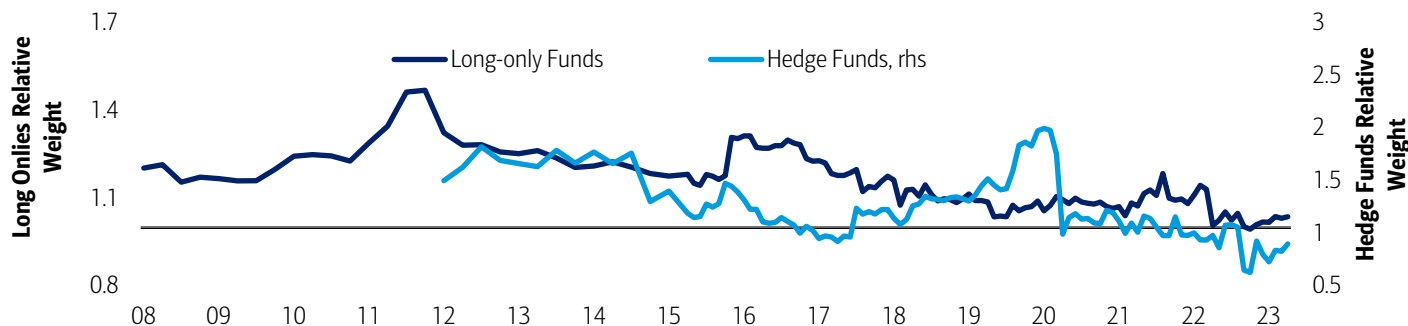


Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Exhibit 63: LO and HF exposure to Discretionary is near historical lows

Funds' relative weight in Consumer Discretionary vs. S&P 500 index over time (as of Dec. 2023)



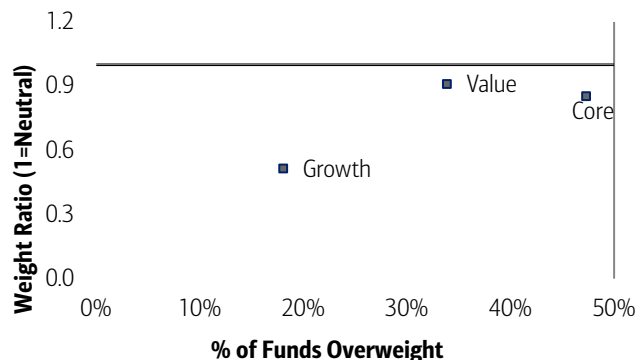
Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Consumer Staples

Exhibit 64: All styles are underweight Consumer Staples

Fund Managers' positioning in Consumer Staples sector, Dec. 2023

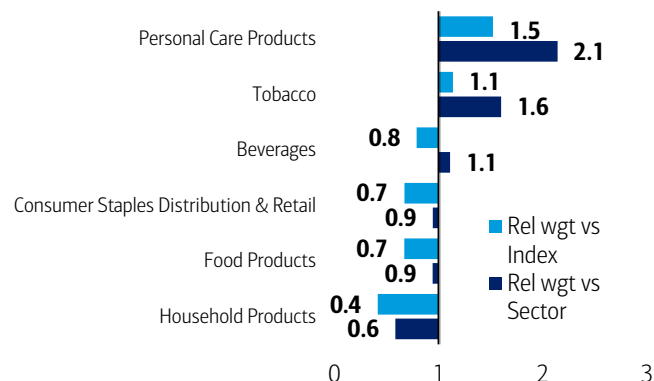


Source: BofA US Equity & Quant Strategy, FactSet Ownership. Benchmarks used: Russell 1000 Growth for Growth funds; Russell 1000 Value for Value funds; S&P 500 for Core funds.

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Exhibit 65: Fund managers are most overweight Personal Care Products

Industry Exposure (All Styles), Dec. 2023

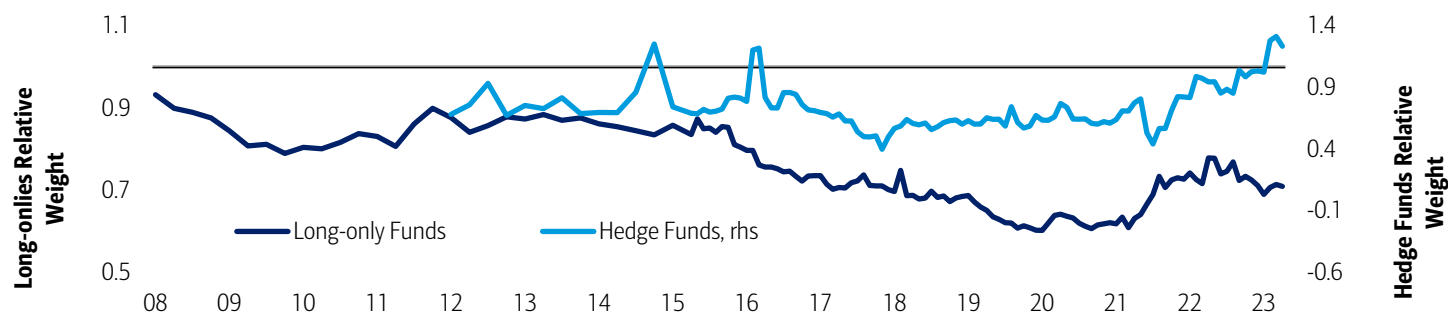


Source: BofA US Equity & Quant Strategy, FactSet Ownership

BofA GLOBAL RESEARCH

Exhibit 66: LO exposure to Staples is elevated vs. recent years; HFs are near peak exposure

Funds' relative weight in Staples vs. S&P 500 index over time (as of Dec. 2023)



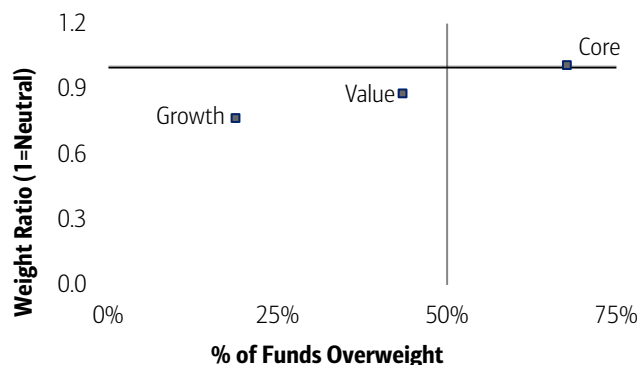
Source: BofA US Equity & US Quant Strategy, FactSet Ownership

BofA GLOBAL RESEARCH

Energy

Exhibit 67: Growth managers are 20% underweight Energy

Fund Managers' positioning in Energy sector, Dec. 2023

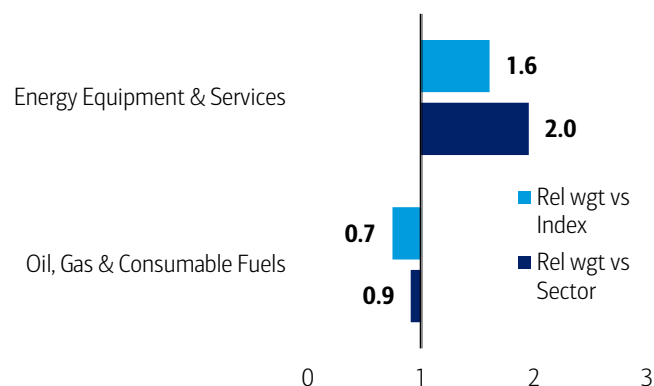


Source: BofA US Equity & Quant Strategy, FactSet Ownership. Benchmarks used: Russell 1000 Growth for Growth funds; Russell 1000 Value for Value funds; S&P 500 for Core funds.

BofA GLOBAL RESEARCH

Exhibit 68: Fund managers are overweight Energy Equipment & Services

Industry Exposure (All Styles), Dec. 2023

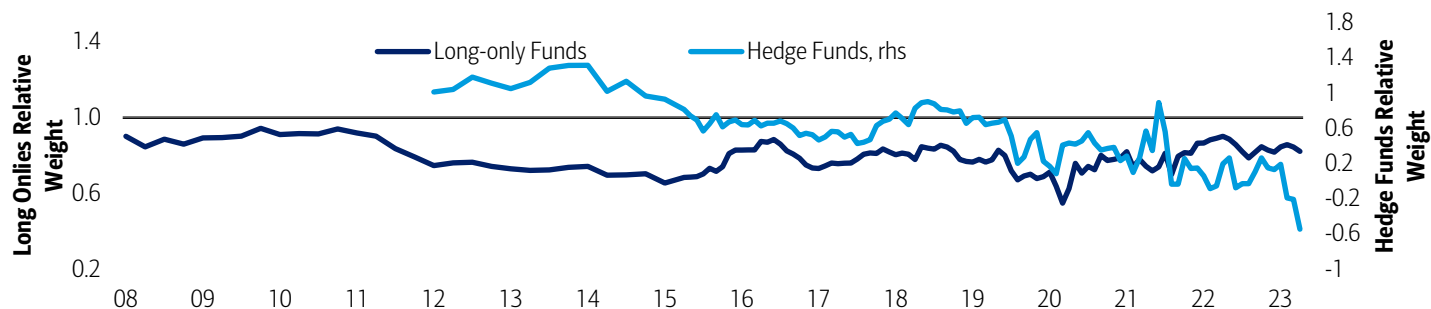


Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Exhibit 69: HF exposure to Energy is at an all-time low

Funds' relative weight in Energy vs. S&P 500 index over time (as of Dec. 2023)

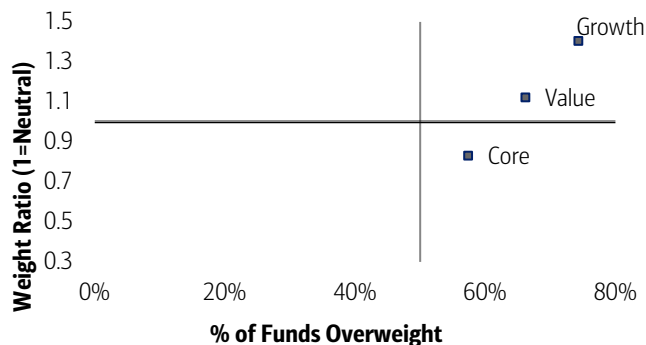


Source: BofA US Equity & US Quant Strategy, FactSet Ownership

BofA GLOBAL RESEARCH

Financials**Exhibit 70: Growth managers are 40% overweight Financials**

Fund Managers' positioning in Financials sector, Dec. 2023

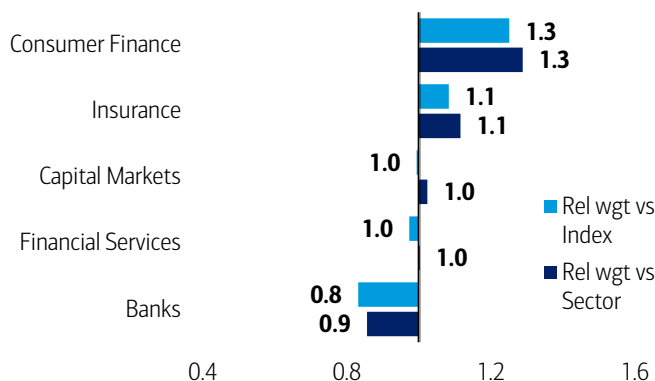


Source: BofA US Equity & Quant Strategy, FactSet Ownership. Benchmarks used: Russell 1000 Growth for Growth funds; Russell 1000 Value for Value funds; S&P 500 for Core funds.

BofA GLOBAL RESEARCH

Exhibit 71: Fund managers are most overweight Consumer Finance

Industry Exposure (All Styles), Dec. 2023

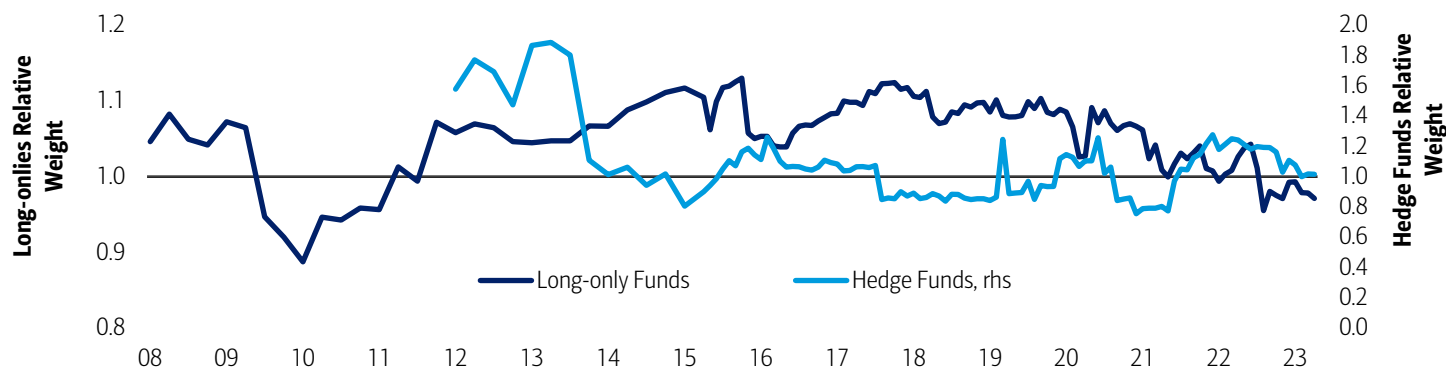


Source: BofA US Equity & Quant Strategy, FactSet Ownership

BofA GLOBAL RESEARCH

Exhibit 72: Long only and hedge fund exposure to Financials is light vs. history

Funds' relative weight in Financials vs. S&P 500 index over time (as of Dec. 2023)



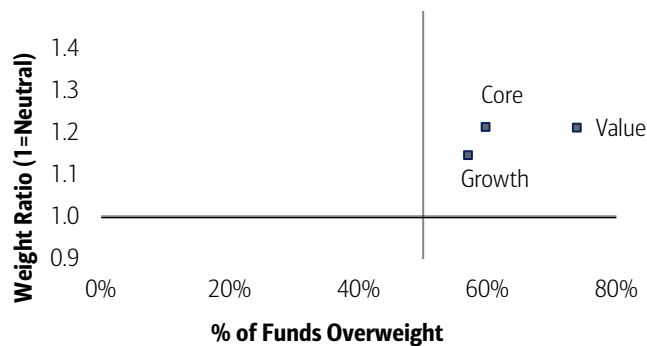
Source: BofA US Equity & Quant Strategy, FactSet Ownership

BofA GLOBAL RESEARCH

Health Care

Exhibit 73: All managers are overweight Health Care

Fund Managers' positioning in Health Care sector, Dec. 2023

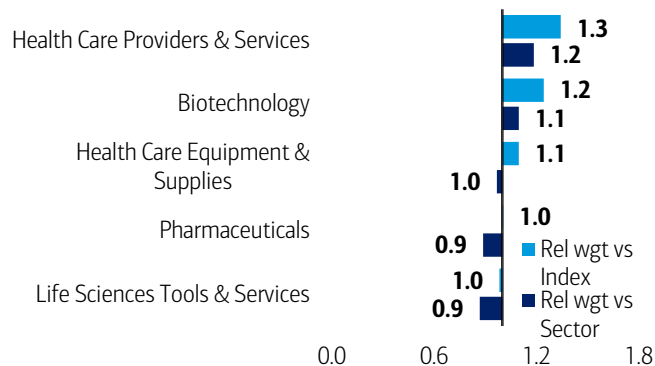


Source: BofA US Equity & Quant Strategy, FactSet Ownership. Benchmarks used: Russell 1000 Growth for Growth funds; Russell 1000 Value for Value funds; S&P 500 for Core funds.

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Exhibit 74: Fund managers are most overweight Health Care Providers & Services

Industry Exposure (All Styles), Dec. 2023

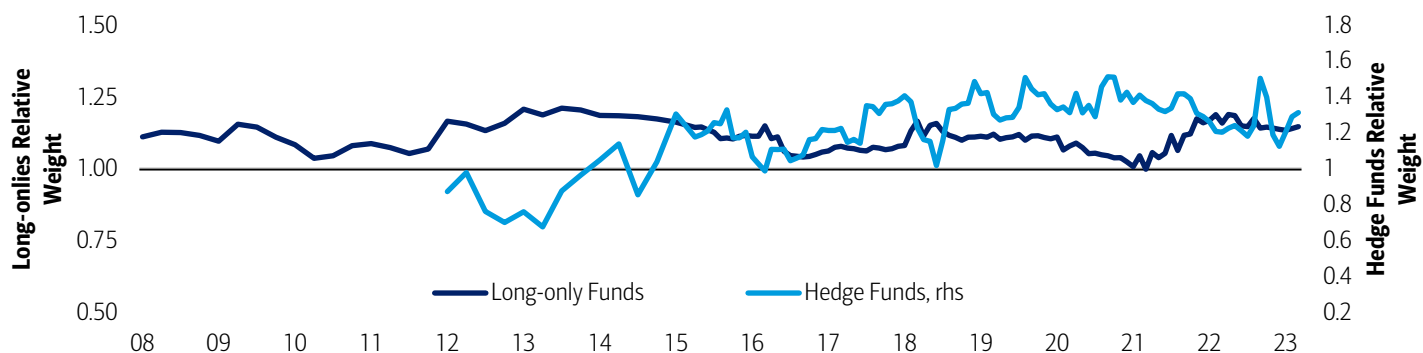


Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Exhibit 75: Health Care is overweight by both LOs and HFs

Funds' relative weight in Health Care vs. S&P 500 index over time (as of Dec. 2023)



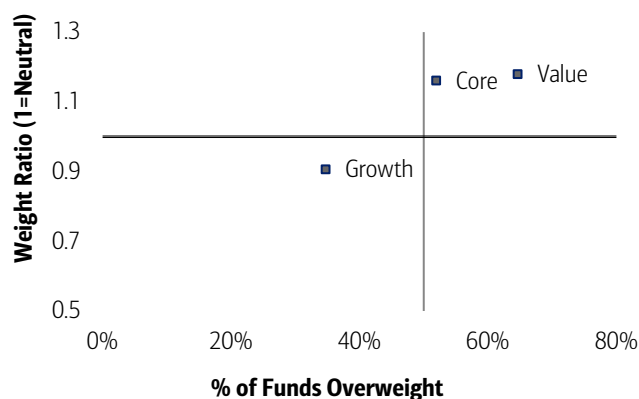
Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Industrials

Exhibit 76: Core and Value managers are ~20% overweight Industrials

Fund Managers' positioning in Industrials sector, Dec. 2023

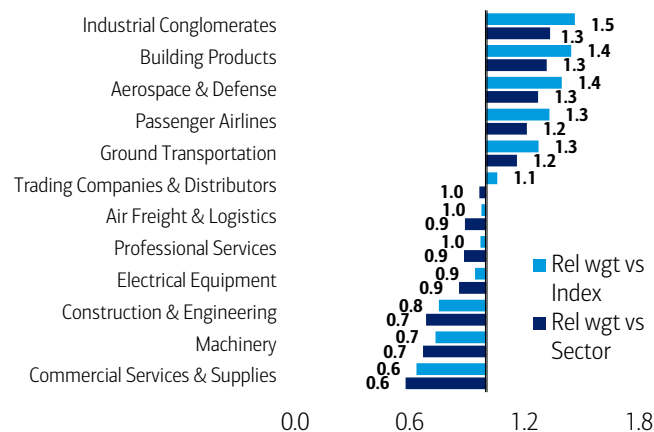


Source: BofA US Equity & Quant Strategy, FactSet Ownership. Benchmarks used: Russell 1000 Growth for Growth funds; Russell 1000 Value for Value funds; S&P 500 for Core funds.

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Exhibit 77: Fund managers are most overweight Industrial Conglomerates

Industry Exposure (All Styles), Dec. 2023

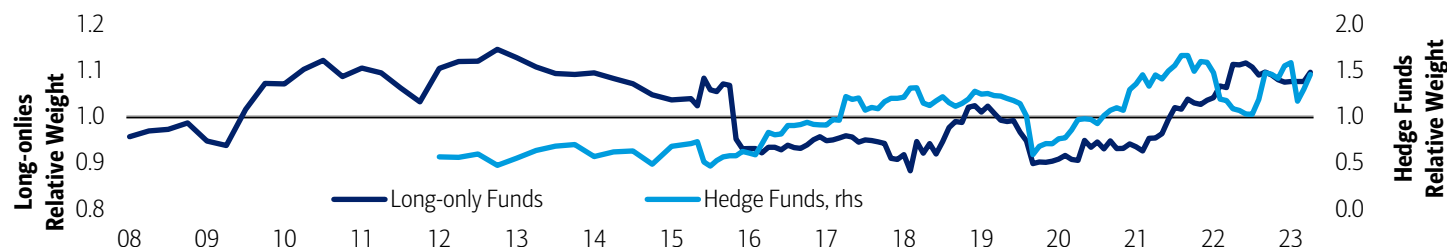


Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Exhibit 78: Exposure to Industrials is elevated vs. history

Funds' relative weight in Industrials vs. S&P 500 index over time (as of Dec. 2023)



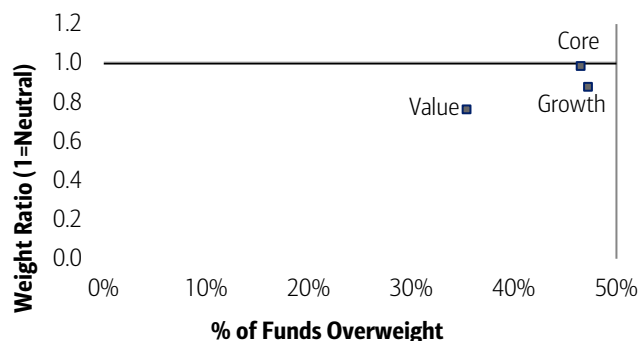
Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Information Technology

Exhibit 79: Value managers are over 20% underweight Tech

Fund Managers' positioning in Technology sector, Dec. 2023

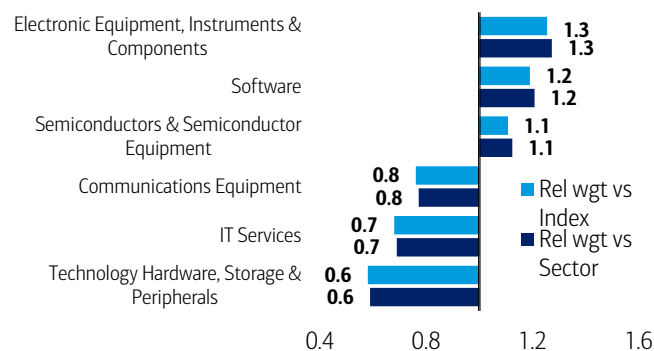


Source: BofA US Equity & Quant Strategy, FactSet Ownership. Benchmarks used: Russell 1000 Growth for Growth funds; Russell 1000 Value for Value funds; S&P 500 for Core funds.

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Exhibit 80: Fund managers are most overweight Electronic Equipment, Instruments & Components

Industry Exposure (All Styles), Dec. 2023

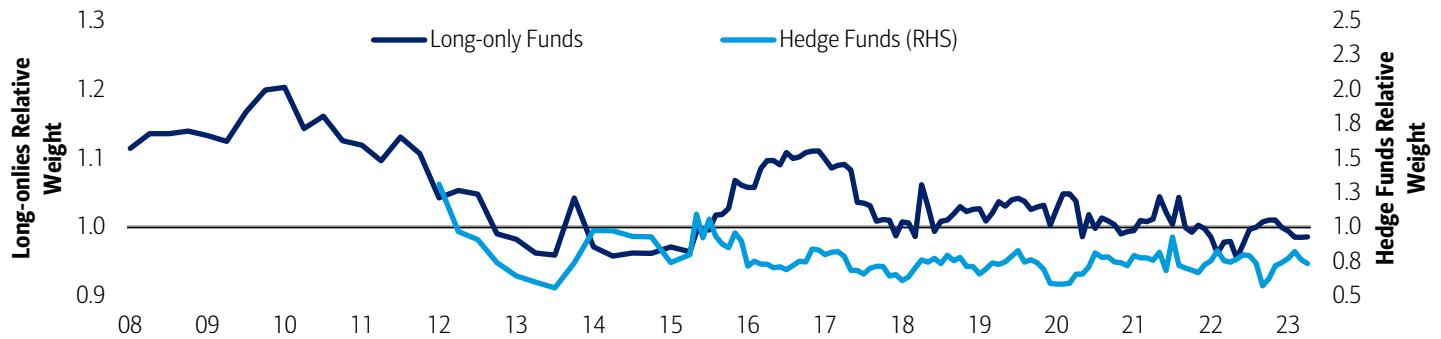


Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Exhibit 81: LOs are near marketweight Info Tech; HFs are still underweight

Funds' relative weight in Information Technology vs. S&P 500 index over time (as of Dec. 2023)

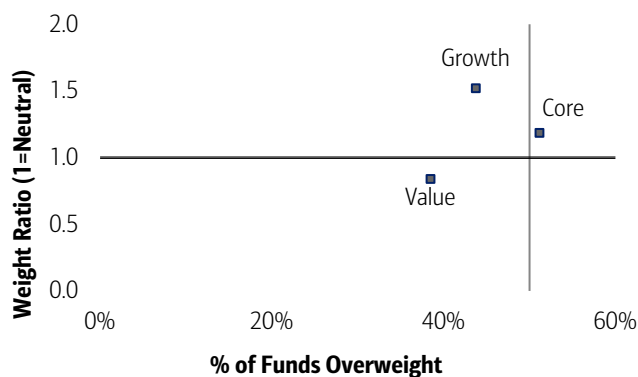


Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Materials**Exhibit 82: Growth managers are 50% overweight Materials**

Fund Managers' positioning in Materials sector, Dec. 2023

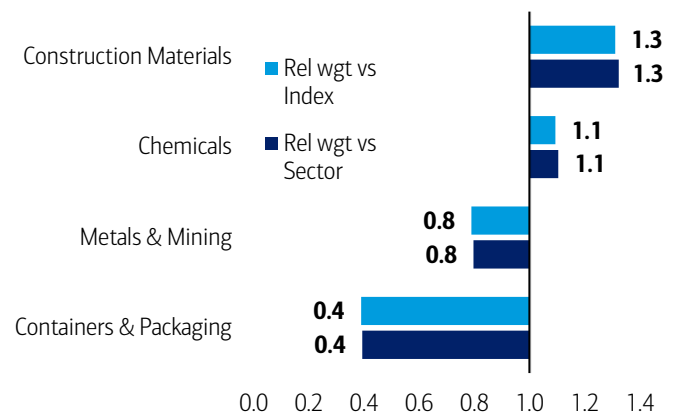


Source: BofA US Equity & Quant Strategy, FactSet Ownership. Benchmarks used: Russell 1000 Growth for Growth funds; Russell 1000 Value for Value funds; S&P 500 for Core funds.

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Exhibit 83: Fund managers are overweight Construction Materials

Industry Exposure (All Styles), Dec. 2023

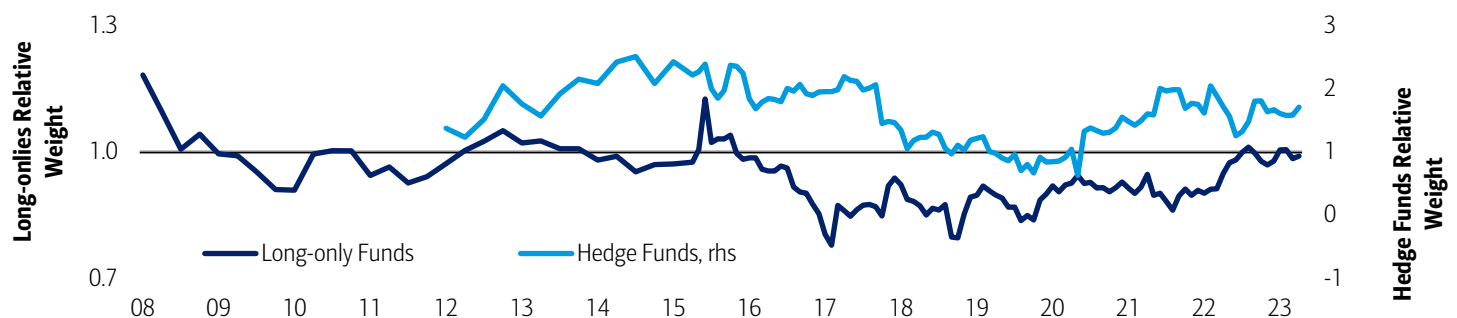


Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Exhibit 84: Hedge funds are overweight Materials, long-only funds are near marketweight

Funds' relative weight in Materials vs. S&P 500 index over time (as of Dec. 2023)



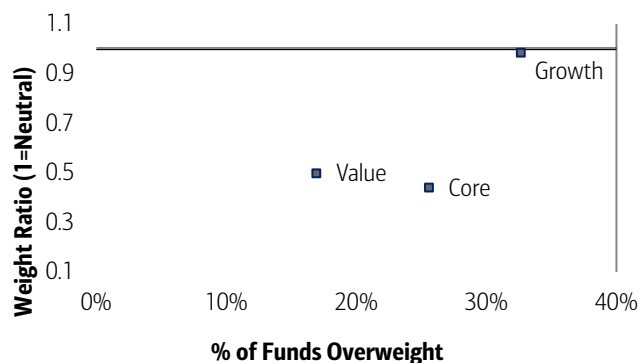
Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Real Estate

Exhibit 85: Value and Core managers are 50% underweight Real Estate

Fund Managers' positioning in Real Estate sector, Dec. 2023

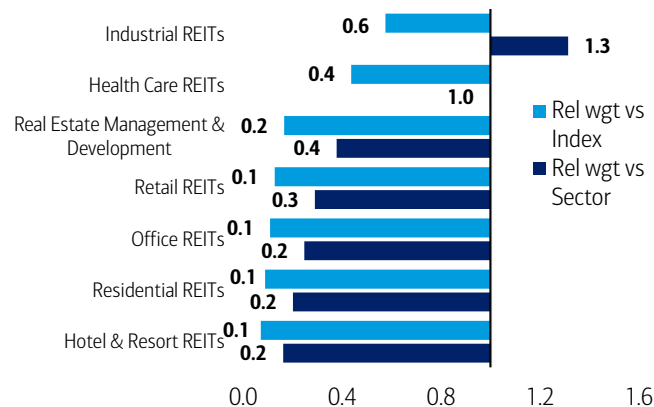


Source: BofA US Equity & Quant Strategy, FactSet Ownership. Benchmarks used: Russell 1000 Growth for Growth funds; Russell 1000 Value for Value funds; S&P 500 for Core funds.

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Exhibit 86: Fund managers are least underweight Industrial REITs vs the index

Industry Exposure (All Styles), Dec. 2023

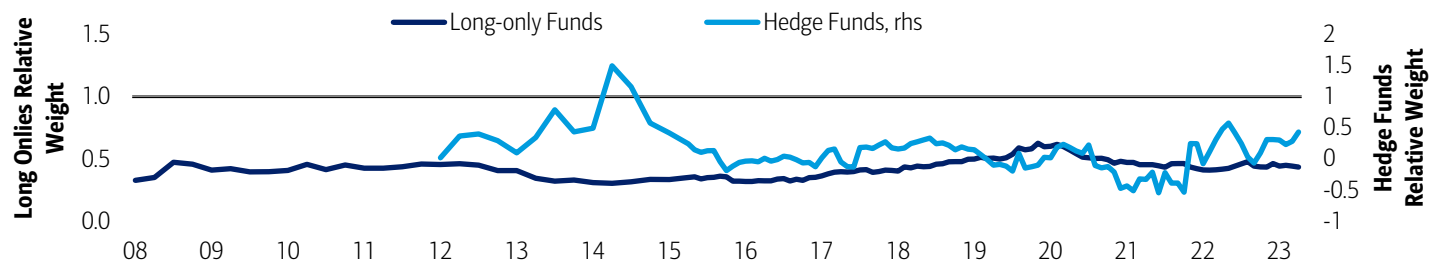


Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Exhibit 87: Both LOs and HFs are deeply underweight Real Estate

Funds' relative weight in Real Estate vs. S&P 500 index over time (as of Dec. 2023)



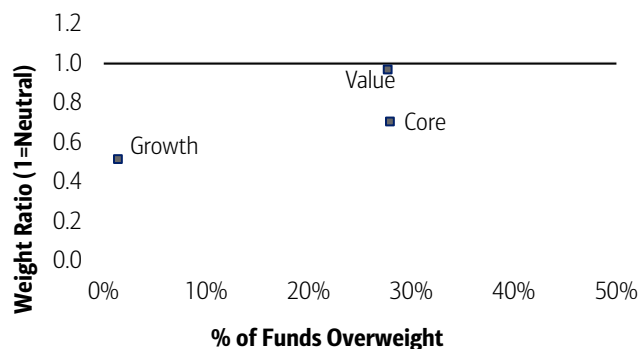
Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Utilities

Exhibit 88: All managers are underweight Utilities

Fund Managers' positioning in Utilities Sector, Dec. 2023

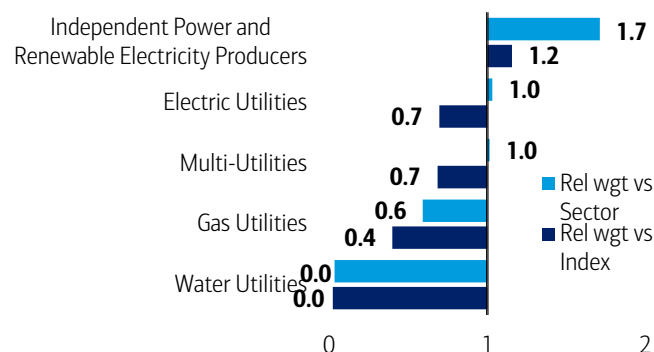


Source: BofA US Equity & Quant Strategy, FactSet Ownership. Benchmarks used: Russell 1000 Growth for Growth funds; Russell 1000 Value for Value funds; S&P 500 for Core funds.

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Exhibit 89: Fund managers are most overweight Independent Power and Renewable Electricity Producers

Industry Exposure (All Styles), Dec. 2023

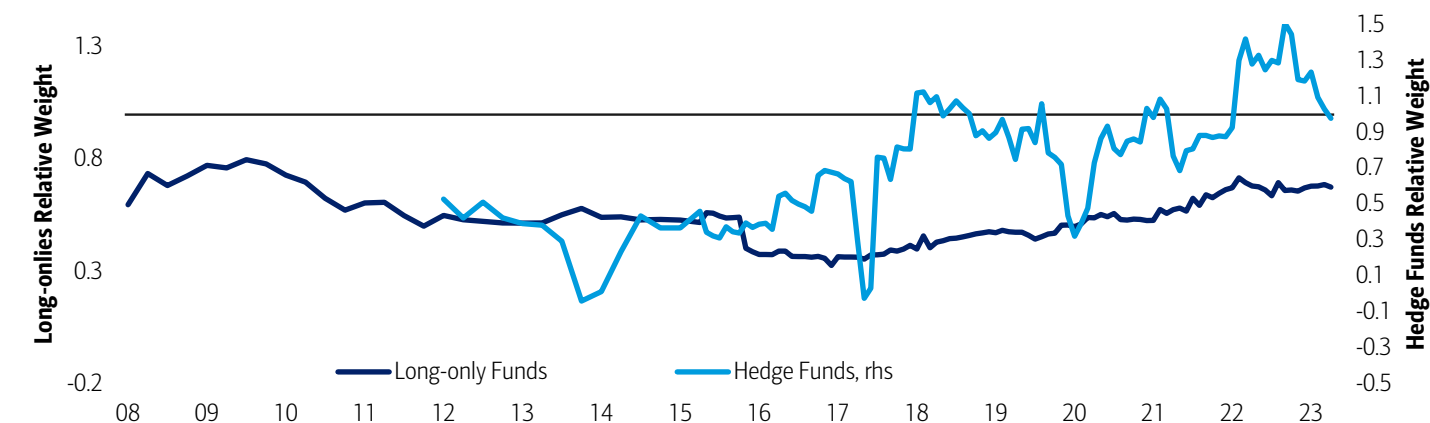


Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Exhibit 90: HF's decreased exposure to Utilities to near marketweight; LOs remain underweight

Funds' relative weight in Utilities vs. S&P 500 index over time (as of Dec. 2023)



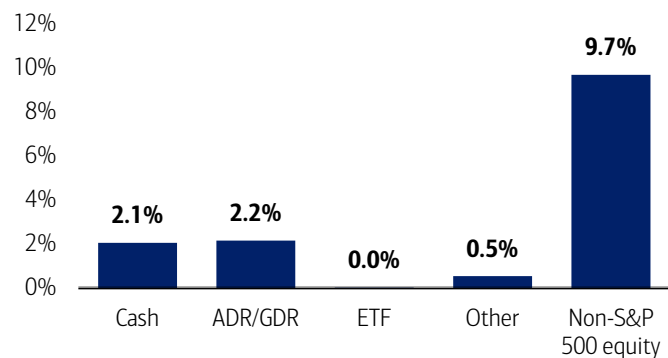
Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Asset allocations

Exhibit 91: Large cap managers held 2.1% in cash as of December

Other asset classes as a % of fund AUM for all large cap managers, Dec. 2023

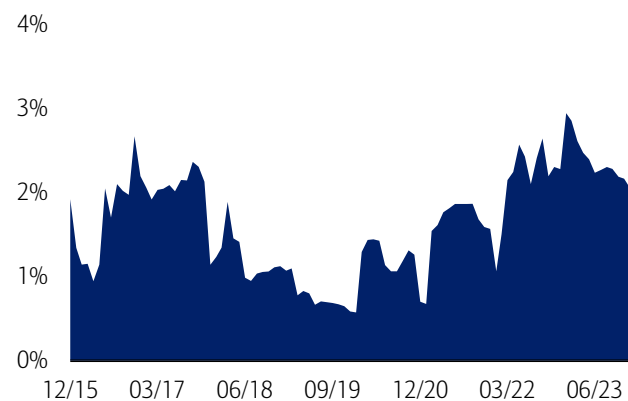


Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Exhibit 92: Cash levels are off peak levels but still elevated

Large cap funds' cash level as a % of their AUM (2015 to present)



Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Commitment of Traders positioning

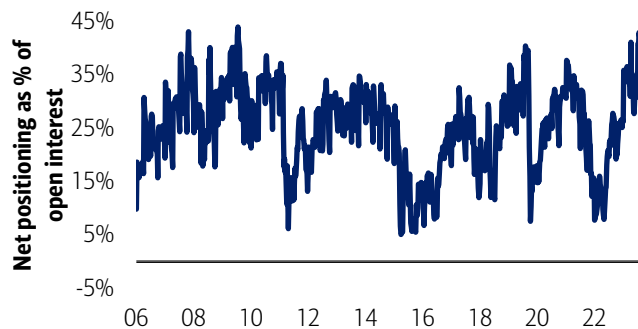
Based on the Commitments of Traders (COT) data published by the Commodity Futures Trading Commission (CFTC), we track asset managers' and leveraged funds' net positions futures normalized by total open interest. The trader categories are:

Asset Manager/Institutional: Institutional investors, including pensions, endowments, insurance co's, mutual funds and PMs with clients are predominantly institutional.

Leveraged Funds: These are typically hedge funds and various types of money managers, including registered commodity trading advisors (CTAs); registered commodity pool operators (CPOs) or funds not registered. Strategies may involve taking outright positions or arbitrage within and across markets. Traders may be engaged in managing / conducting proprietary trading or trading on behalf of speculative clients.

Exhibit 93: High net long positioning by asset managers (real investors)...

Asset managers' net positions in the S&P 500 e-mini futures as % of total open interest (6/2006-1/16/2024)

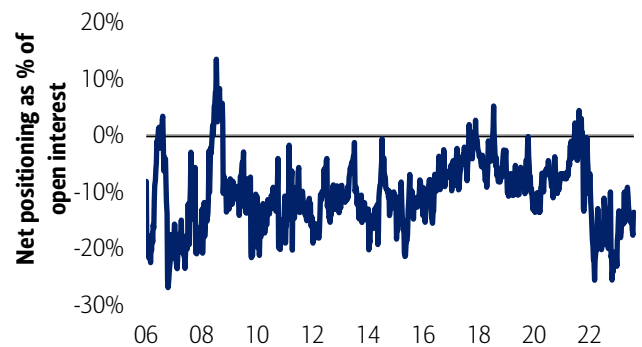


Source: BofA US Equity & Quant Strategy, CFTC

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Exhibit 94: ... but bearish sentiment by speculators on equities

Leveraged funds' net positions in the S&P 500 e-mini futures as % of total open interest (6/2006-1/16/2024)

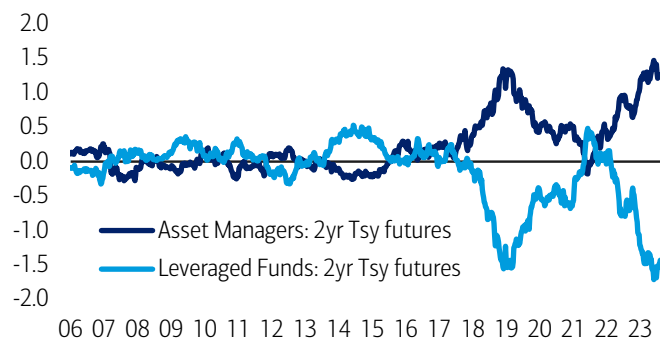


Source: BofA US Equity & Quant Strategy, CFTC

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Exhibit 95: Real money long, speculators short on 2yr Tsy futures contract positioning

Asset managers and leveraged funds net total 2yr Tsy futures contract positioning (6/2006-1/16/2024)

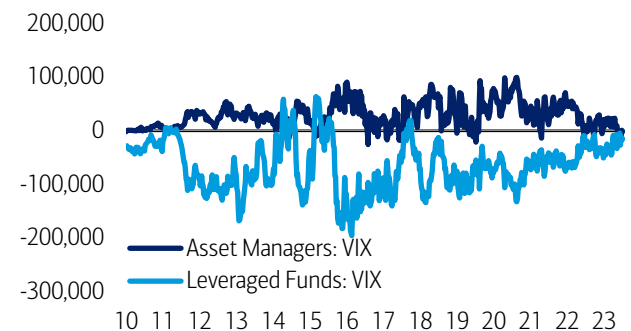


Source: BofA US Equity & Quant Strategy, CFTC

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Exhibit 96: Real money and speculators have neutralized exposure to volatility

Asset managers and leveraged fund net total VIX futures contracts positioning (7/2010-1/16/2024)



Source: BofA US Equity & Quant Strategy, CFTC

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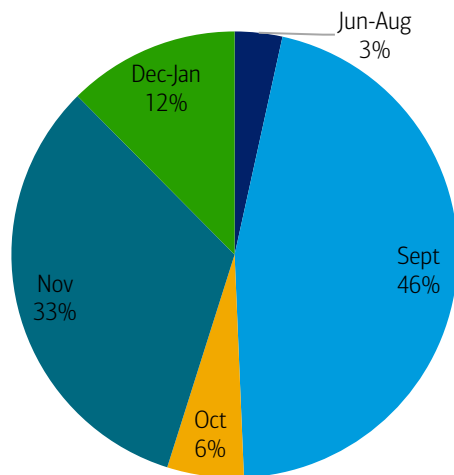
Methodology

Long Only Fund Positioning Methodology

Each month, we analyze the holdings of US Large Cap Equity Mutual funds that are actively managed and create a bottom-up composite to assess fund managers' exposure to U.S. equities.

Exhibit 97: ~50% of AUM we track has been reported since Oct.

% of fund AUM that has been reported

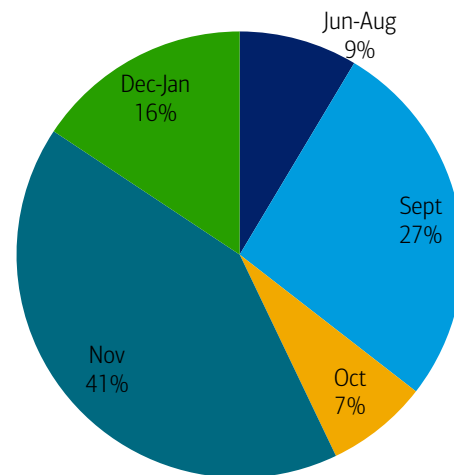


Source: FactSet Ownership, BofA US Equity & Quant Strategy

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Exhibit 98: ~60% of funds we track have reported since Oct.

% of funds that have reported



Source: FactSet Ownership, BofA US Equity & Quant Strategy

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Except as noted below, information and analysis contained in this report are based on the most current fund managers' equity holdings from the FactSet Ownership Database. To provide a more recent snapshot of the value of fund managers' equity holdings, we have marked-to-market the composite as of January 12, 2024. This report does not reflect any changes, other than re-pricing, in portfolio holdings after the filing dates. We exclude ADRs and other stocks not found in the S&P 500 and Russell 1000 current constituents from our stock screens.

Our active manager universe is defined by using Lipper's size and style definitions. Using Lipper's definitions we segmented a list of U.S. Large cap active fund managers into three Separate categories Core, Growth and Value. From these lists, the equity holdings were then aggregated from each fund to build our Active Fund Manager Composites. We look at only U.S. actively managed long only funds based on their primary share class. The active manager universe is updated on a monthly basis going forward. Currently we track ~340 large cap funds with AUM of ~\$2.2tn S&P 500 holdings.

To evaluate active managers' sector positioning, we use the S&P 500, Russell 1000 Growth and Russell 1000 Value indices, as of December 31, 2023 as benchmarks. Some screens in the report compare current exposures of our fund snapshot to a past period.

Exhibit 99: Large Cap Active Fund Characteristics by Style

As of Dec. 2023

	Core	Growth	Value	Total
Total Assets in Funds (\$m)	818,193	1,112,577	651,121	2,581,892
Number of Funds	129	144	65	338
Avg # of Stocks	97	69	80	82

Source: BofA US Equity & Quant Strategy, FactSet Ownership

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Hedge Fund Positioning Methodology

We downloaded the holdings of hedge fund managers (as categorized by FactSet) for the S&P 500 stocks, based on the most current fund managers' equity holdings from the FactSet Ownership Database. To calculate the net exposure of hedge funds, we subtract the estimated short positions from their long positions, where we assume hedge funds account for 85% of the total short interest based on our regression analysis. We obtain the aggregate short interest data from the NYSE and NASDAQ exchanges via FactSet. All securities have been marked-to-market as of January 12, 2024. Russell 3000/S&P 500 holdings (long exposure) of hedge funds captured in this analysis was \$1.5tn.

Active Share Ratio

Calculated as the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and then dividing by two. For example, if the benchmark includes one stock, and a portfolio manager invests half of assets in that stock and half in another stock, the Active Share of the portfolio is 50%.

Stock Screen Disclaimer

Stock screens in this report are not a recommended list either individually or as a group. One should consider the fundamentals of the companies and their own individual circumstances/objectives before making any investment decision.

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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.

INCOME RATINGS, indicators of potential cash dividends, are: 7 - same/higher (dividend considered to be secure), 8 - same/lower (dividend not considered to be secure) and 9 - pays no cash dividend. *Coverage Cluster* is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector, region or other classification(s). A stock's coverage cluster is included in the most recent BofA Global Research report referencing the stock.

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