

## Style Cycle

## 'Recovery' begins

Quantitative Strategy

## Style Cycle moves into 'Recovery'

The European Composite Macro Indicator (CMI) increased in March, moving the Style Cycle into the 'Recovery' phase for the first time since 2020. On average, 'Recovery' phases last for 6 months, within a range of 3-14 months. In this phase, we prefer Value over Growth, Rising Momentum, Low Quality, High Risk and Small over Large caps. For the latest 'Recovery' screens see Exhibit 42 and Appendix: additional screens.

## Inputs signals split; globally synchronised upturn

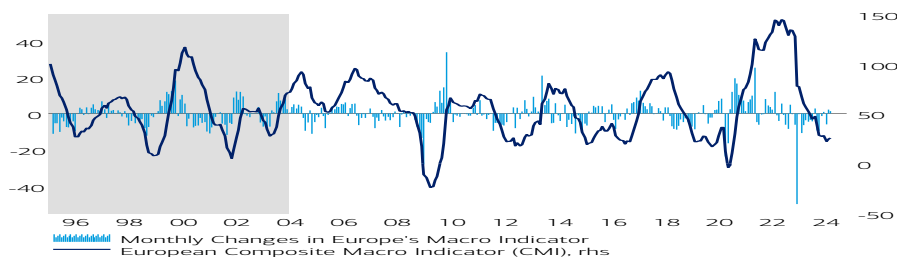
The rise in the CMI this month has been driven by three inputs: PPI, GDP forecasts and the Global EPS Revision Ratio, increases in which outweighed declines in the other three: BofA Europe Leading Indicator, German IFO and 12m change in European 10Y bond yield. With the increase in the CMI, we now see all BofA quantitative models being synchronised in the upturn (see [Global Wave: Moving on up 14 February 2024](#) and [Quantitative Profiles: Title: After four years of waiting... 12 March 2024](#)).

## What re-rates the most in 'Recovery'?

During 'Recovery' episodes, European equities' 12m fwd P/E re-rates by 9.1% on average. Norway, Italy, Spain, Energy, Basic Resources and Autos historically have re-rated strongly and are screening attractively in the current 'Recovery' episode (Exhibit 10 & Exhibit 11). The top Recovery stocks currently trade at a 29% 12m fwd P/E discount to the market, relative to the long-term average, and they typically re-rate by 3.7% in the 'Recovery' phase (Exhibit 49).

## Exhibit 2: The European Composite Macro Indicator (CMI) up in March

European Composite Macro Indicator (CMI) and its monthly changes



**Source:** BofA European Equity Quant Strategy – Based on BY, GDP Forecasts, OECD, IFO Survey, PPI & EPS Revs. The sentiment indicator identified as European Composite Macro Indicator above is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research.

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14 March 2024

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Paulina Strzelinska &gt;&gt;

Quant Strategist  
MLI (UK)  
+44 20 7996 7059  
paulina.strzelinska@bofa.com

The European 'Style Cycle' marries phases of the economic cycle with investment style returns.

## Exhibit 1: Summary of Europe's macro signals

3 out of 6 inputs are rising

Inputs of EU Composite Macro Indicator	Direction
BofA Europe Leading Indicator	FALLING
German IFO Indicator	FALLING
12mth Change in Pan EU BY	FALLING
Producer Price Inflation	RISING
Pan Europe, Cons. GDP Forecasts	RISING
Global EPS Revision Ratio	RISING

**Source:** BofA European Equity Quant Strategy.  
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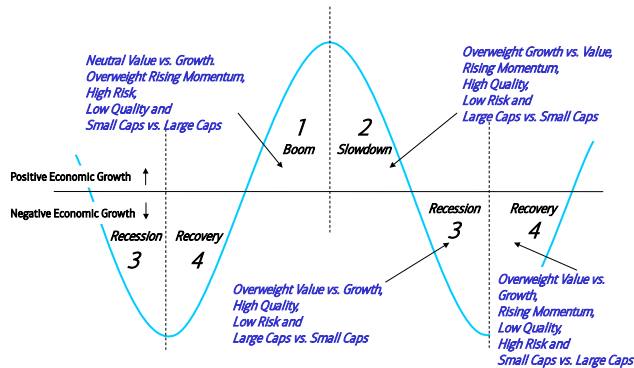
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Timestamp: 14 March 2024 01:30AM EDT

# Summary – European Style Cycle

## Exhibit 3: European Style Cycle framework

Style Cycle is currently in the 'Recovery' phase



Phase 1- Rising & Accelerating; Phase 2- Rising & Decelerating; Phase 3- Falling & Decelerating; Phase 4- Falling & Accelerating.

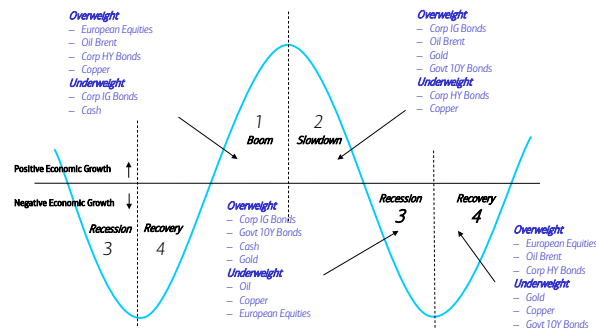
\*Economic Cycle based on the ML Composite Macro Indicator

Source: BofA European Equity Quant Strategy

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## Exhibit 4: Suggested European cross-asset allocations in respective phases of the Style Cycle

Style Cycle is currently in the 'Recovery' phase



Phase 1- Rising & Accelerating; Phase 2- Rising & Decelerating; Phase 3- Falling & Decelerating; Phase 4- Falling & Accelerating.

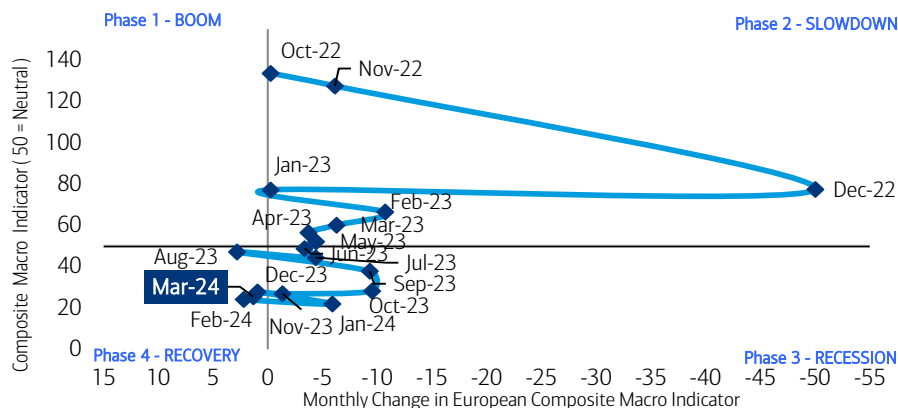
\*Economic Cycle based on the ML Composite Macro Indicator

Source: BofA European Equity Quant Strategy

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## Exhibit 5: Economic signals generated over the past 18m from the EU Composite Macro Indicator

Style Cycle is currently in the 'Recovery' phase



Source: BofA European Equity Quant Strategy – Based on BY, GDP Forecasts, BofA Europe LI, IFO Survey, PPI & EPS Revision Ratio.

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Macro signals were up over the month.

This month 3 out of 6 indicators are rising and 3 are falling.

Our European Composite Macro Indicator (CMI) is a composite index based on 6 variables:

- 1) 12m change in European bond yields,
- 2) 12m forward consensus GDP forecasts,
- 3) 12m change in BofA Europe Leading Indicator
- 4) Germany's IFO Survey,
- 5) 12m change in European PPI and
- 6) Global consensus EPS Revision Ratio

See Exhibit 63 for a complete list of the historical phases of the economic cycle according to the Composite Macro Indicator (CMI).

## Exhibit 6: Style Cycle 'Recovery' preference and styles' exposures by country

As of the end of the last month

Name	Style Cycle Preference (100=Top)	Value Rank (100=Cheap)	Growth Rank (100=High)	Momentum Rank (100=Rising)	Quality Rank (100=High)	Risk Rank (100=High)	Size Rank (100=High)
Spain	92	73	63	75	28	62	49
Italy	78	77	59	61	43	64	47
Norway	77	74	39	41	44	54	33
Finland	69	65	41	44	44	52	41
Germany	61	59	49	48	41	63	50
Sweden	54	42	52	47	53	55	40
UK	54	61	43	50	47	43	50
France	41	45	48	41	50	45	53
Netherlands	35	27	68	57	65	71	53
Switzerland	26	36	39	39	60	37	54
Denmark	25	16	76	76	70	35	53

Source: BofA European Equity Quant Strategy. Note: The exposure/preference are market cap weighted average Styles ranks /Style Cycle Rank aggregated from the stock level, 100 indicates the highest exposure to the Style/Style Cycle phase, 50 is equal to market cap weighted average, while 1 indicates the lowest exposure to the Style/Style Cycle phase

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**Exhibit 7: Style Cycle 'Recovery' preference and styles' exposures by sector**

As of the end of the last month

Name	Style Cycle Preference (100=Top)	Value Rank (100=Cheap)	Growth Rank (100=High)	Momentum Rank (100=Rising)	Quality Rank (100=High)	Risk Rank (100=High)	Size Rank (100=High)
Banks (SX7P)	100	99	64	60	15	76	50
Real Estate (SX86P)	100	99	64	60	15	76	50
Utilities (SX6P)	86	80	48	76	23	26	46
Energy (S600ENP)	79	97	17	29	43	81	54
Telecoms (SXKP)	79	75	35	42	21	41	46
Basic Resources (SXPP)	79	83	18	49	61	75	45
Autos (SXAP)	78	88	44	46	56	86	50
Financial Svs (SXFP)	69	44	45	52	39	67	47
Insurance (SXIP)	64	78	55	45	31	49	50
Travel & Leisure (SXTLP)	58	38	77	54	40	63	42
Construction (SXOP)	56	50	55	56	45	52	48
Retail (SXRP)	46	43	63	66	65	47	41
Chemicals (SX4P)	45	41	42	28	45	51	47
Industrial Gds & Svs (SXNP)	44	34	59	59	57	58	47
PCDG Stores (S600PDP)	27	53	44	42	55	9	49
Media (SXMP)	25	24	58	56	65	22	50
Food, Bev & Tobacco (S600FOP)	25	40	31	34	54	21	52
Technology (SX8P)	21	14	63	55	71	69	54
Consumer Pds and Svs (S600CPP)	20	18	51	29	69	39	53
Health Care (SXDP)	19	32	54	54	65	26	54

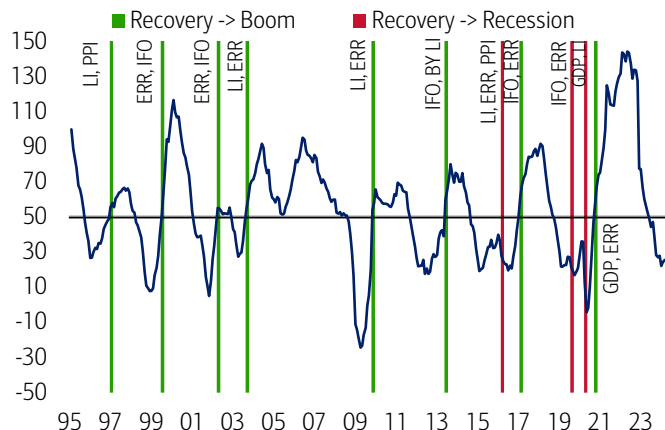
**Source:** BofA European Equity Quant Strategy. Note: The exposure/preference are market cap weighted average Styles ranks /Style Cycle Rank aggregated from the stock level, 100 indicates the highest exposure to the Style/Style Cycle phase, 50 is equal to market cap weighted average, while 1 indicates the lowest exposure to the Style/Style Cycle phase

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# Charts of the month

## Exhibit 8: Historically, 'Recovery' was usually followed by 'Boom', while rarely by the 'Recession' phase

European Composite Macro Indicator and historical instances of moves from 'Recovery' into 'Boom' or 'Recession' with the main drivers of the change highlighted

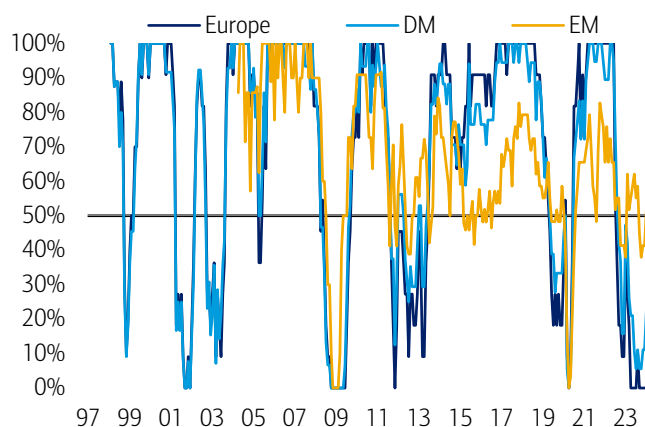


Source: BofA European Equity Quant Strategy

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## Exhibit 9: February noted first European country with a reading in expansion territory – Spain

% of countries with PMI Mfg/Whole Economy readings above 50 in Developed Europe (dark blue), Developed Markets (light blue) and Emerging Markets (yellow)

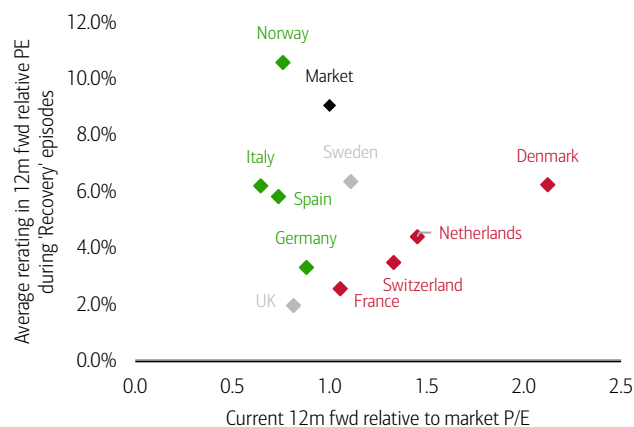


Source: BofA European Equity Quant Strategy, Refinitiv, S&P. PMI surveys conducted by the S&P/Markit.

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## Exhibit 10: Norway, Italy and Spain screen attractively and have historically re-rated strongly in the 'Recovery' phase

Style Cycle 'Recovery' countries preferences (green: top, grey: neutral, red: bottom) versus current 12m trailing P/E relative to MSCI Europe and the historical average of re-rating recorded in 'Recovery' episodes

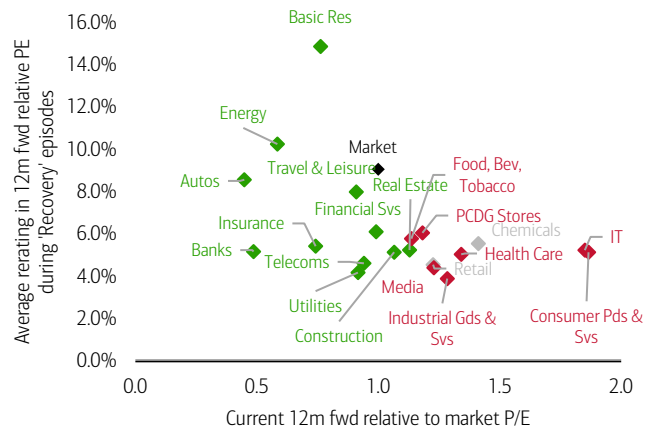


Source: BofA European Equity Quant Strategy, MSCI

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## Exhibit 11: Energy, Basic Resources and Autos screen attractively and have historically re-rated strongly in the 'Recovery' phase

Style Cycle 'Recovery' sectors preferences (green: top, grey: neutral, red: bottom) versus current 12m trailing P/E relative to MSCI Europe and the historical average of re-rating recorded in 'Recovery' episodes



Source: BofA European Equity Quant Strategy, Refinitiv

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# European Composite Macro Indicator (CMI) – **RISING** - inputs overview

**Exhibit 12: Input is **RISING**, z-score went up to -0.80, increasing for the third consecutive month to the highest level since Oct '23**

Pan Europe – Economists' 12m fwd GDP forecasts

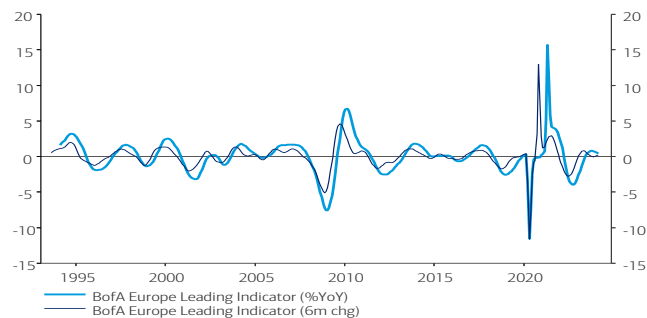


Source: BofA European Equity Quant Strategy, Consensus Economics

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**Exhibit 13: Input is **FALLING**, z-score dropped to 0.17, the lowest reading since Jul '23**

12m change in BofA Europe Leading Indicator

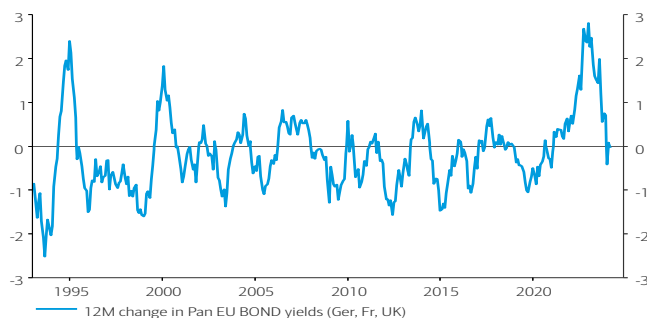


Source: BofA European Equity Quant Strategy, OECD

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**Exhibit 14: Input is **FALLING**, z-score fell to 0.14, but remained staying in the positive territory**

12m change in 10Y European Bond Yield (average of Germany, France, UK)

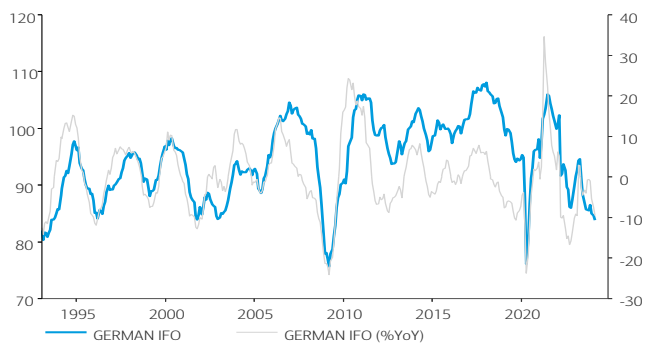


Source: BofA European Equity Quant Strategy, Refinitiv

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**Exhibit 15: Input is **FALLING**, z-score declined further to -1.65, the lowest reading since Jun '20**

German IFO Indicator

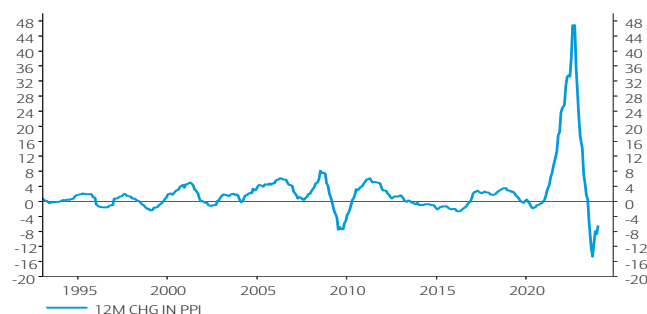


Source: BofA European Equity Quant Strategy, IFO Institute

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**Exhibit 16: Input is **RISING**, z-score improved to -1.27, the highest reading since Sep '23**

Pan European Inflation (PPI) - 12m change

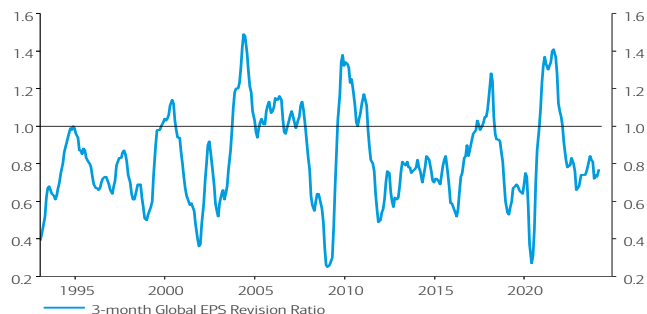


Source: BofA European Equity Quant Strategy, Refinitiv

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**Exhibit 17: Input is **RISING**, z-score increased to -0.28, the highest reading since Nov '23**

Global EPS Revision Ratio (>1 = net EPS upgrades)

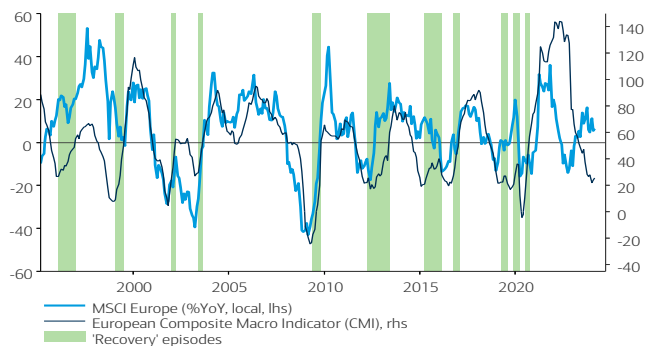


Source: BofA European Equity Quant Strategy, IBES, MSCI

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# Key Charts

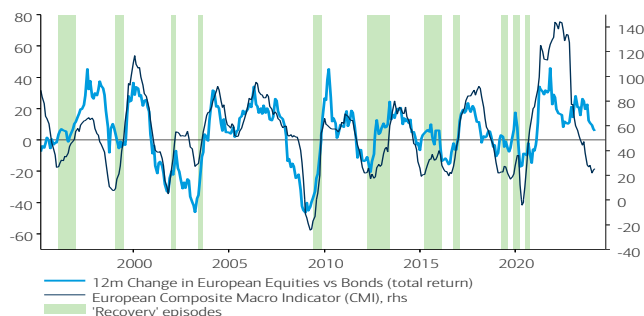
**Exhibit 18: European equities are sensitive to moves in the CMI**  
European CMI versus MSCI Europe performance (%YoY)



Source: BofA European Equity Quant Strategy, Refinitiv

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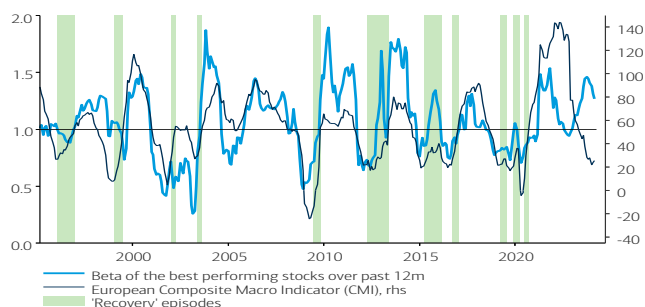
**Exhibit 19: European equities vs bonds performance is sensitive to moves in the CMI**  
European CMI versus European equities to bonds performance (%YoY)



Source: BofA European Equity Quant Strategy, Refinitiv, ICE

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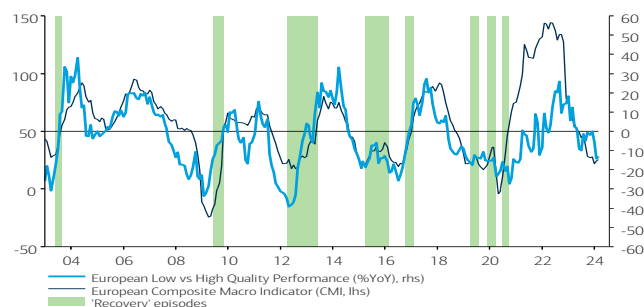
**Exhibit 20: Typically, beta of best performing stocks moves in-line with CMI**  
European CMI versus beta of the best performing stocks over past 12m



Source: BofA European Equity Quant Strategy

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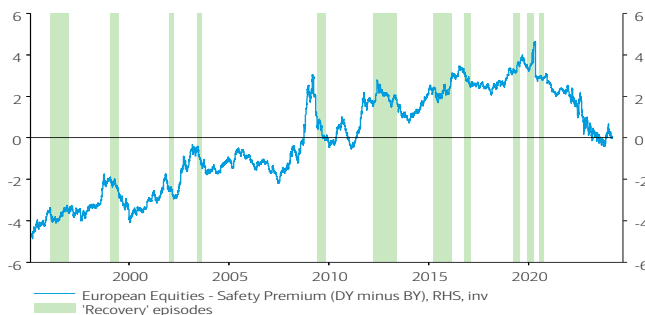
**Exhibit 21: Low versus High Quality style performance is sensitive to moves in the CMI**  
European CMI versus Low vs High Quality performance (%YoY)



Source: BofA European Equity Quant Strategy

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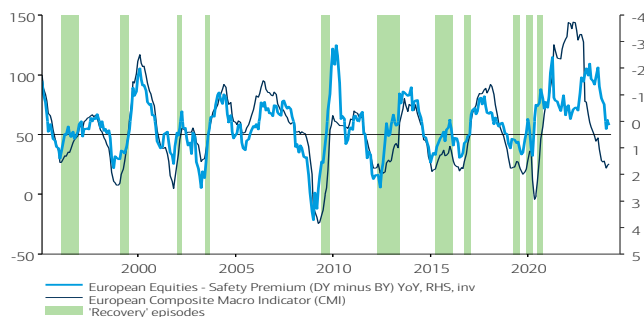
**Exhibit 22: European equities' lower risk premium is improving as the bond yield declines and dividend yield increases**  
European equities lower risk premium (lower risk premium = dividend yield minus European 10Y bond yield)



Source: BofA European Equity Quant Strategy, Refinitiv. Note: European bond yield is average of UK, France and Germany 10Y bond yields

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**Exhibit 23: Typically, European lower risk premium moves in-line with CMI**  
European CMI versus actual yearly change in European equities lower risk premium (lower risk premium = dividend yield minus European 10Y bond yield)

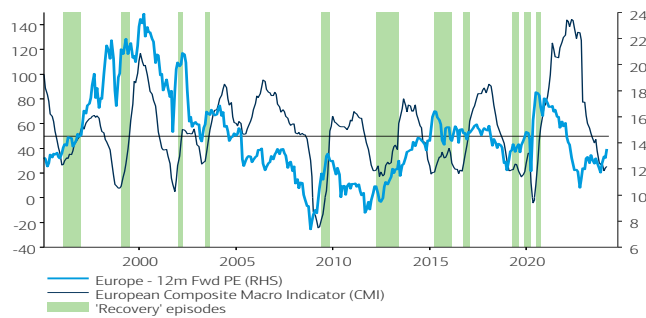


Source: BofA European Equity Quant Strategy. Note: European bond yield is average of UK, France and Germany 10Y bond yields

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**Exhibit 24: European 12m fwd P/E is sensitive to moves in the CMI**

European CMI versus MSCI Europe's 12m fwd P/E

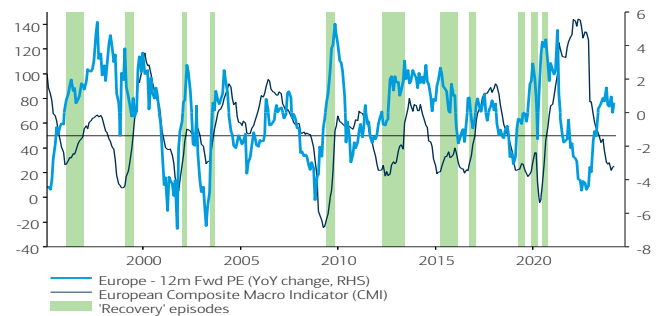


Source: BofA European Equity Quant Strategy, Refinitiv

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**Exhibit 25: Typically, European YoY change in 12m fwd P/E moves in-line with CMI**

European CMI versus MSCI Europe's 12m fwd P/E YoY change

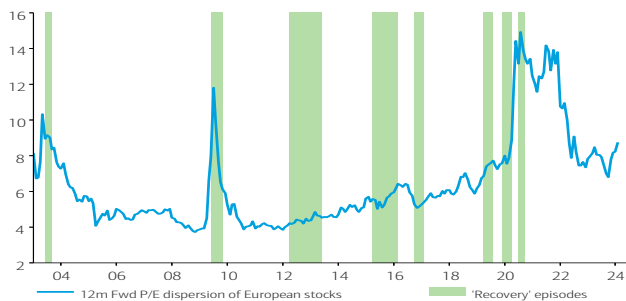


Source: BofA European Equity Quant Strategy, Refinitiv

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**Exhibit 26: The current P/E dispersion stands at 8.7**

European stocks - standard deviation of 12m Fwd P/E excluding 1% of top and bottom extreme readings

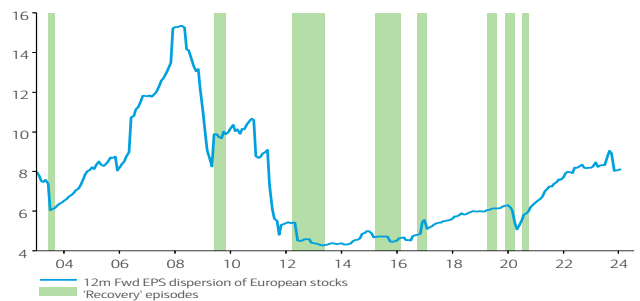


Source: BofA European Equity Quant Strategy, MSCI, I/B/E/S

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**Exhibit 27: The current 12m Fwd EPS dispersion stands at 8.1**

European stocks - standard deviation of 12m Fwd EPS excluding 1% of top and bottom extreme readings

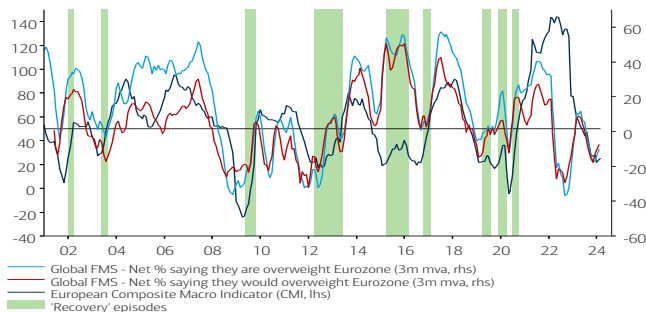


Source: BofA European Equity Quant Strategy, MSCI, I/B/E/S

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**Exhibit 28: Net 10% of global investors say they are underweight Europe in February and a net 9% of them intend to underweight the region over the next 12 months**

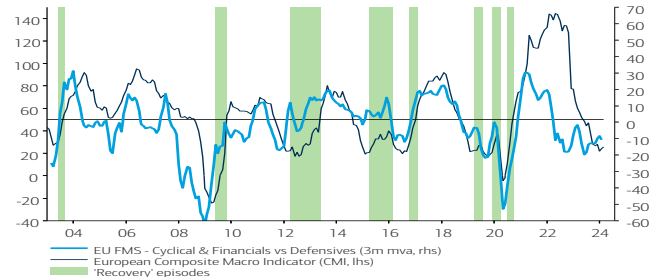
Please indicate for each of the following equity markets, how overweight or underweight you consider your position to be relative to your internal benchmark:



Source: BofA European Equity Quant Strategy, BofA Global Fund Manager Survey

**Exhibit 29: Investors cut their underweight in the cyclical and financial sectors, while increasing overweight in defensive sectors in February**

Please indicate for each of the following European sectors, whether you consider your position to be overweight, underweight or neutral relative to your internal benchmark



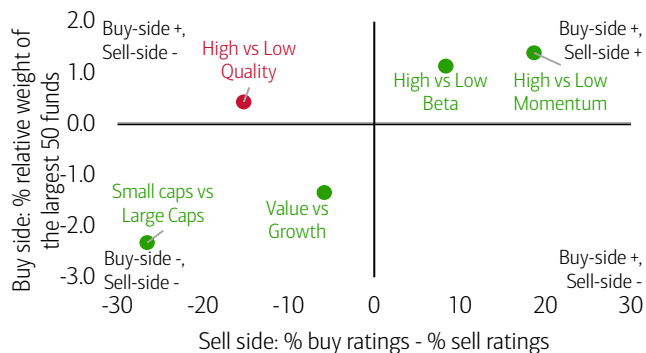
Source: BofA European Equity Quant Strategy, BofA European Fund Manager Survey. Note: The positioning is a difference between average positioning in cyclical and financial sectors (Autos, Basic Resources, Chemicals, Construction, Consumer Pds&Svs, Industrial Gds&Svs, Media, Retail, Technology, Travel&Leisure, Banks, Financial Svs, Insurance, Real Estate) and defensive sectors (Food&Beverages, Pharma/Healthcare, Telecoms, Utilities, PCDG Stores).

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### Exhibit 30: Value vs Growth and Small vs Large caps screen attractively in 'Recovery' phase, while being disliked by both buy- and sell-side

Style Cycle 'Recovery' style preferences (green: top, grey: neutral, red: bottom) versus sell-side and buy-side stance

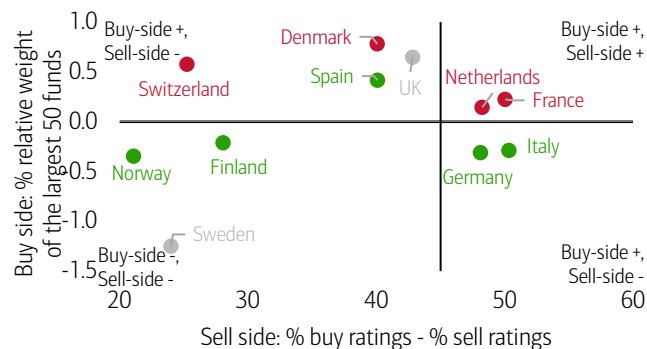


Source: BofA European Equity Quant Strategy, Factset, IBES

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### Exhibit 31: Norway and Finland screen attractively in the 'Recovery' phase, while being unpopular with both buy- and sell-side

Style Cycle 'Recovery' country preferences (green: top, grey: neutral, red: bottom) versus sell-side and buy-side stance

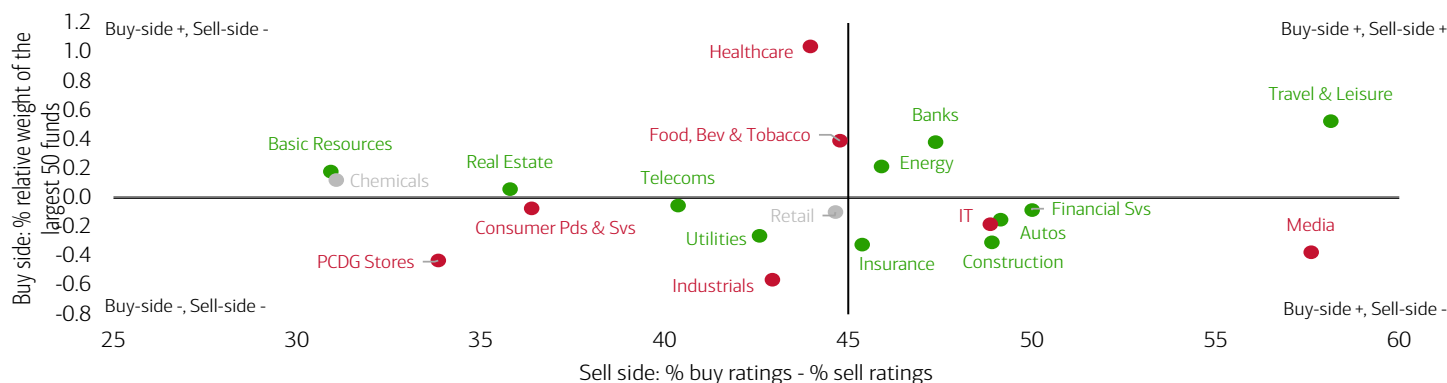


Source: BofA European Equity Quant Strategy, Factset, IBES

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### Exhibit 32: Utilities and Telecoms screen attractively in 'Recovery' phase while being commonly disliked by both buy- and sell-side

Style Cycle 'Recovery' sectors preferences (green: top, grey: neutral, red: bottom) versus sell-side and buy-side stance



Source: BofA European Equity Quant Strategy, Factset, IBES

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### Exhibit 33: Usually, when Style Cycle is in 'Recovery' phase, European equity funds note slowing outflows

European Composite Macro Indicator (light blue line, rhs) vs rolling 8w flows into Europe-focused equity funds as % of mcap (dark blue line, lhs)

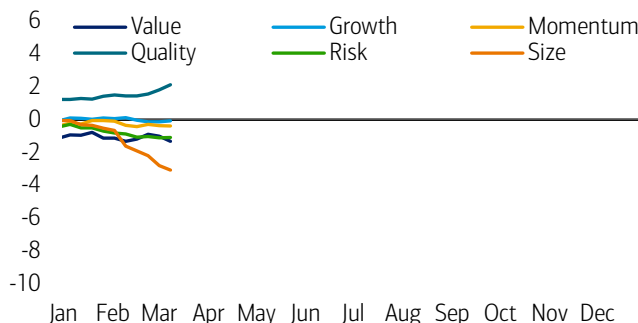


Source: BofA European Equity Quant Strategy, EPFR Global

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### Exhibit 34: Flows increased for Quality the most over the past 4w, while declined the most for Size (Low)

Rolling 8w flows into European styles (l/s) this year



Source: BofA European Equity Quant Strategy, EPFR Global

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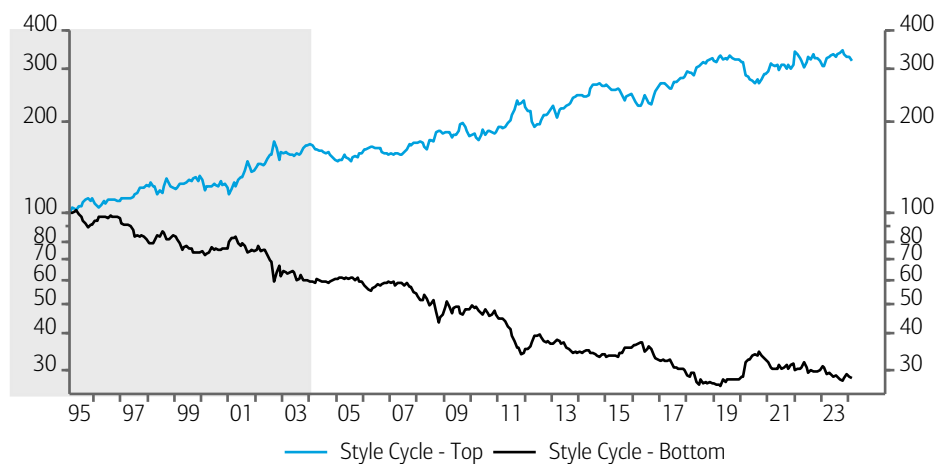


# European Style Cycle - performance

**Style Cycle:** The European 'Style Cycle' links phases of the economic cycle with performance of investment style. Stocks are screened based on their equal weighted rank of Value, Growth, Momentum, Quality, Risk and Size.

## Exhibit 35: Top & Bottom Style Cycle relative price performance

Relative price performance to largest 250 European stocks (price, EUR, equally weighted)



**Source:** BofA European Equity Quant Strategy, FactSet. The shaded area on the chart above shows back-tested results during the period from Mar-95 to Dec-03. The un-shaded portion represents actual performance since Jan-04. The Style Cycle back-testing is a rolling monthly performance based on the changing phases of the Style Cycle. This performance is back-tested and does not represent the actual performance of any account or fund. Back-tested performance depicts the theoretical (not actual) performance of a particular strategy over the time period indicated. No representation is being made that any actual portfolio is likely to have achieved returns similar to those shown herein. The data displayed in this exhibit depends in part on certain monthly screens and other data that were not previously published. Please see [Style Cycle: 'Boom' persists 30 June 2021](#) for details and relevant data.

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## Exhibit 36: Last month Top stocks have underperformed Bottom stocks by 1.8%

Excess Price Returns (%)

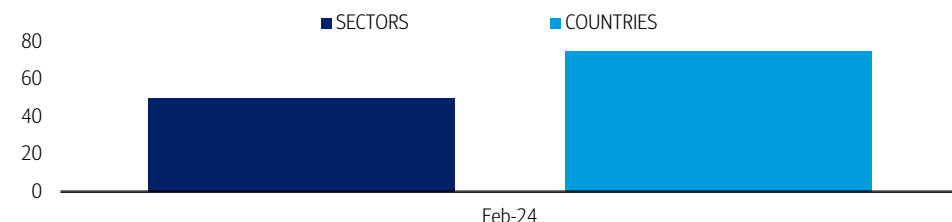
	1M	3M	6M	12M	YTD	3 Yrs	5 Yrs	Since Incept.
Top Style Cycle	-3.0	-4.9	-4.4	4.2	-2.5	2.2	0.8	91.3
Bottom Style Cycle	-1.2	-0.4	-1.1	-8.1	-2.7	-7.5	4.6	-52.7
Top vs Bottom Style Cycle	-1.8	-4.6	-3.4	13.4	0.2	10.5	-3.6	304.1

**Source:** BofA European Equity Quant Strategy, FactSet. \* - Inception = January 2004. Note: Month end data used for performance of stock screen. Performance based on equal weight portfolios, monthly rebalanced, no transaction costs are included, and performances based on price returns and not total returns (dividends are not included). Performance is shown not as a guide to any past recommendation, but as confirmation of each phase's characteristics

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## Exhibit 37: Top vs Bottom Recession stocks outperformed in 10 out of 20 sectors and in 6 out of 8 countries in Feb-24

% of SXXP supersectors and countries where the Recession top vs bottom stocks are outperforming



BofA European Equity Quant Strategy, FactSet. Note: countries included: France, Germany, Italy, Netherlands, Spain, Sweden, Switzerland and UK. Performances are based on the top / bottom quintile/or minimum 5 stocks in each group of stocks ranked by the Recession ranks or in sectors/countries.

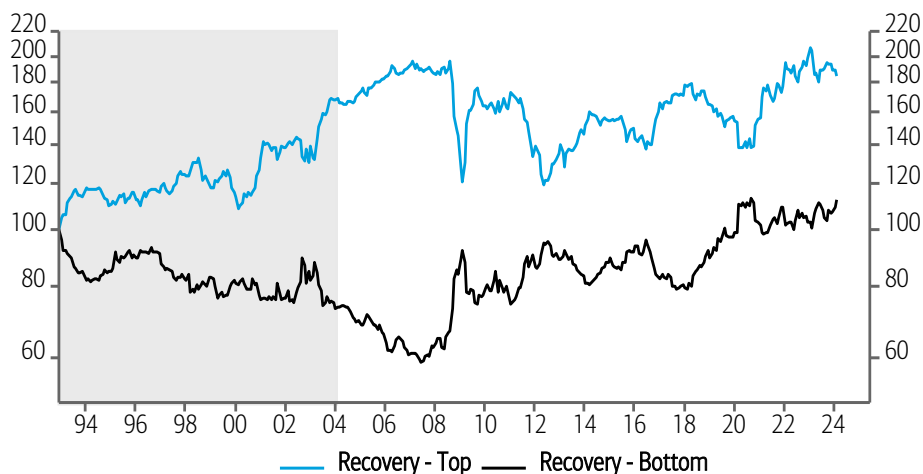
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# Style Cycle – Recovery

**Style Cycle - Recovery:** The European 'Style Cycle' links phases of the economic cycle with performance of investment style. The stocks below are screened by the characteristics of the 'Recovery' phase. Stocks are screened on their equal-weighted rank of Value, Growth, Momentum, Quality, Risk and Size.

## Exhibit 38: Top & Bottom Recovery relative price performance

Price relative performance vs top 250 largest European stocks (EUR, equally weighted)



**Source:** BofA European Equity Quant Strategy, FactSet. Inception – January 2004. The shaded area shows back-tested results during the period from Dec-92 to Dec-03. The unshaded portion represents actual performance since Jan-04. This performance is back-tested and does not represent the actual performance of any account or fund. Back-tested performance depicts the theoretical (not actual) performance of a particular strategy over the time period indicated. No representation is being made that any actual portfolio is likely to have achieved returns similar to those shown herein. The data displayed in this exhibit depends in part on certain monthly screens and other data that were not previously published. Please see [Style Cycle: 'Boom' persists 30 June 2021](#) for details and relevant data.

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## Exhibit 39: Top Recovery stocks underperformed Bottom Recovery stocks by -5.1% last month

Excess Price Returns (%)

	1M	3M	6M	12M	YTD	3 Yrs	5 Yrs	Since Incept.
Top Recovery	-2.3	-4.8	-2.7	-9.8	-2.5	8.6	12.8	10.2
Bottom Recovery	3.0	5.7	7.4	12.0	5.2	14.3	23.9	50.8
Top vs Bottom Recovery	-5.1	-10.0	-9.4	-19.5	-7.3	-4.9	-9.0	-26.9

**Source:** BofA European Equity Quant Strategy, FactSet. \* - Inception = January 2004

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## Exhibit 40: Median Top Recovery

Latest valuations for Top Recovery stocks

	Fwd P/E	DY	RoE	ERR	Size	Beta
Top	14.3	3.5	25.2	2.1	58.7	0.8
LT Avg	11.4	3.5	7.7	1.6	7.5	1.3
EU Market	15.1	2.8	14.6	0.7	19.2	1.1

**Source:** BofA European Equity Quant Strategy, FactSet

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## Exhibit 41: Median Bottom Recovery

Latest valuations for Bottom Recovery stocks

	Fwd P/E	DY	RoE	ERR	Size	Beta
Bottom	17.8	2.6	7.3	0.2	9.8	1.4
LT Avg	20.1	2.2	25.9	0.6	33.3	0.7
EU Market	15.1	2.8	14.6	0.7	19.2	1.1

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**Exhibit 42: Style Cycle - Recovery screens for Mar '24 (data as of 29/02/2024)**

Top and Bottom Style Cycle Recovery stocks

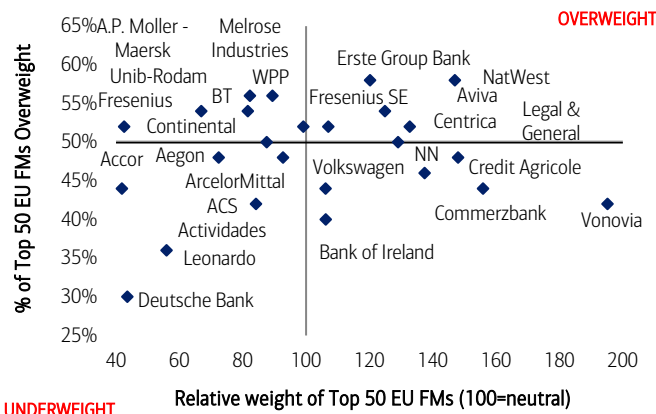
Top Stocks (Good Value, High Risk, Low Quality & Small Size)								Bottom Stocks (Poor Value, Low Risk, High Quality & Large Size)							
BBG Ticker	Name	Recovery Rank	Value Rank	ERR	Beta	RoE	Price	BBG Ticker	Name	Recovery Rank	Value Rank	ERR	Beta	RoE	Price
MAERSKB DC	A.P. Moller - Maersk B	100	95	-0.15	1.4	6.5	9746.0	OR FP	L'Oreal	1	5	-0.26	0.9	22.0	441.7
URW FP	Unib-Rodam	100	71	0.11	2.2	-10.4	67.6	MC FP	LVMH	1	15	-0.25	1.2	26.1	842.8
AGN NA	Aegon	99	88	-0.14	1.4	-14.3	5.5	REL LN	RELX	1	10	-0.10	0.8	49.2	34.6
MT NA	ArcelorMittal	99	89	0.12	2.0	1.7	24.1	ROG SW	Roche	2	47	-0.30	0.3	40.1	232.0
AV/ LN	Aviva	98	79	-0.03	1.2	-7.7	4.5	WKL NA	Wolters Kluwer	2	6	-0.10	0.5	49.6	145.9
BT/A LN	BT	98	100	0.01	1.0	12.8	1.0	ATCOA SS	Atlas Copco	3	6	-0.17	1.2	32.7	179.8
ACA FP	Credit Agricole	98	86	0.08	1.7	8.6	12.5	COLOB DC	Coloplast	3	6	-0.21	0.5	37.4	915.6
CNA LN	Centrica	97	84	-0.13	1.4	160.6	1.3	RACE US	Ferrari	3	5	0.07	0.8	44.3	389.9
FME GR	Fresenius	97	72	0.02	1.1	5.5	35.4	NOVOB DC	Novo Nordisk	3	5	0.05	0.4	88.1	819.7
ACS SM	ACS Actividades	96	69	0.03	1.2	14.3	37.9	RMS FP	Hermes	4	1	0.04	0.9	31.2	2313.0
EBS AV	Erste Group Bank	96	96	0.05	1.7	14.8	36.9	DGE LN	Diageo	5	19	-0.17	0.7	47.8	29.6
BIRG ID	Bank of Ireland	95	96	0.02	1.4	13.2	8.1	SIKA SW	Sika	5	9	-0.31	1.0	19.5	255.5
DBK GR	Deutsche Bank	95	82	0.05	1.3	6.4	12.4	ULVR LN	Unilever	5	46	-0.03	0.5	34.6	38.7
VOW GR	Volkswagen	95	100	-0.02	1.4	10.6	125.3	AI FP	Air Liquide	6	18	-0.12	0.9	12.8	187.9
AC FP	Accor	94	52	0.16	1.5	14.7	40.1	PGHN SW	Partners	6	13	-0.25	1.4	37.8	1269.0
LDO IM	Leonardo	94	58	-0.10	1.3	9.2	19.8	ASML NA	ASML	7	4	0.06	1.2	59.0	870.5
MRO LN	Melrose Industries	94	17	0.24	1.8	-4.2	6.4	CPG LN	Compass	7	34	-0.10	1.0	23.9	21.7
LGEM LN	Legal & General	93	74	-0.01	1.6	20.7	2.4	NESN SW	Nestle	7	33	-0.21	0.5	28.8	91.8
WPP LN	WPP	93	73	-0.13	1.4	3.1	7.1	DSY FP	Dassault Systemes	8	4	-0.13	0.8	13.8	43.2
FRE GR	Fresenius SE	92	83	-0.10	1.3	-3.0	25.9	SU FP	Schneider Electric	8	19	-0.16	1.2	15.4	209.8
NWG LN	NatWest	92	92	-0.25	1.5	11.9	2.4	ALC SW	Alcon	9	17	-0.12	0.8	4.9	75.2
VNA GR	Vonovia	92	59	-0.07	1.0	-2.0	25.8	AZN LN	AstraZeneca	9	39	-0.15	0.5	15.6	99.8
CON GR	Continental	91	80	-0.03	1.6	0.5	74.1	CFR SW	Richemont	9	24	-0.27	1.3	1.6	140.6
NN NA	NN	91	94	-0.14	1.0	6.4	41.3	ITX SM	Inditex	10	33	0.28	1.3	25.2	41.0
CBK GR	Commerzbank	90	94	-0.05	1.4	8.1	10.7	NSISB DC	Novonesis	10	7	0.07	0.7	21.7	388.8

**Source:** BofA European Equity Quant Strategy, FactSet, Price in Local Currency. Companies listed represent the top and bottom 10% of the largest 250 European stocks. The screen identified as Style Cycle – Recovery above is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. This screen was not created to act as a benchmark.

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**Recovery characteristics****Exhibit 43: There are 6 stocks from Top Recovery list which are unpopular with investors**

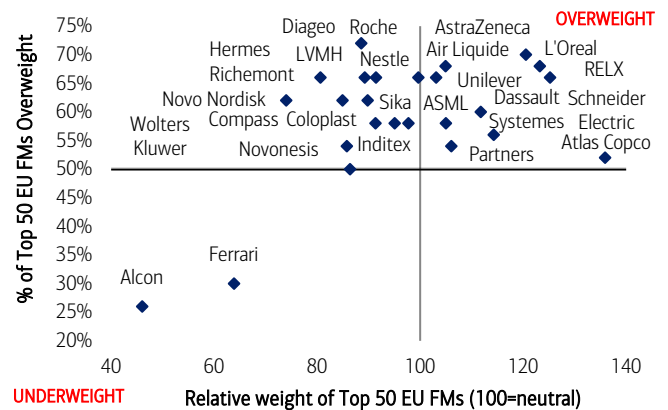
Top Recovery stocks ownership

**Source:** BofA European Equity Quant Strategy

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**Exhibit 44: There are 10 stocks from Bottom Recovery list which are highly popular with investors**

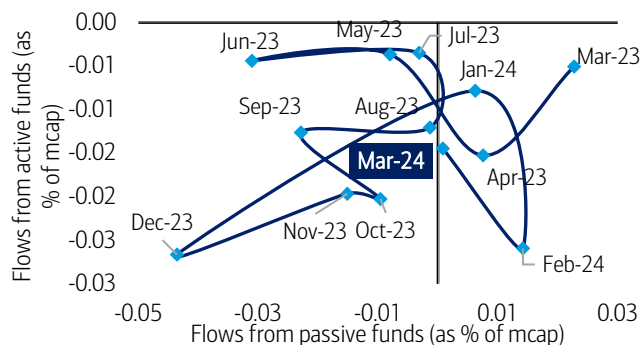
Bottom Recovery stocks ownership

**Source:** BofA European Equity Quant Strategy

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**Exhibit 45: So far in March, Top Recovery stocks saw \$0.05bn outflows from the active funds and \$0.00bn inflows from passive funds**

Top Recovery stocks flows over the past 12 months as % of mcap

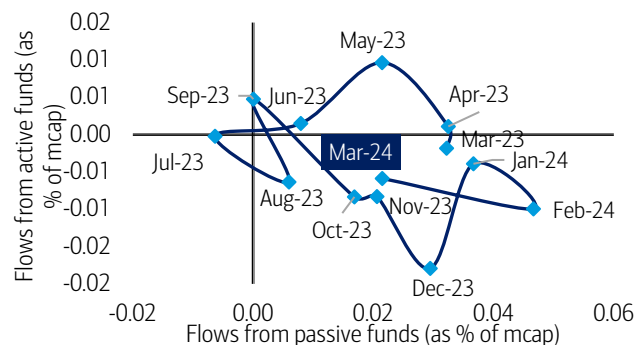


Source: BofA European Equity Quant Strategy, EPFR Global

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**Exhibit 46: So far in March, Bottom Recovery stocks saw \$0.17bn outflows from the active funds and \$0.62bn inflows from passive funds**

Bottom Recovery stocks flows over the past 12 months as % of mcap

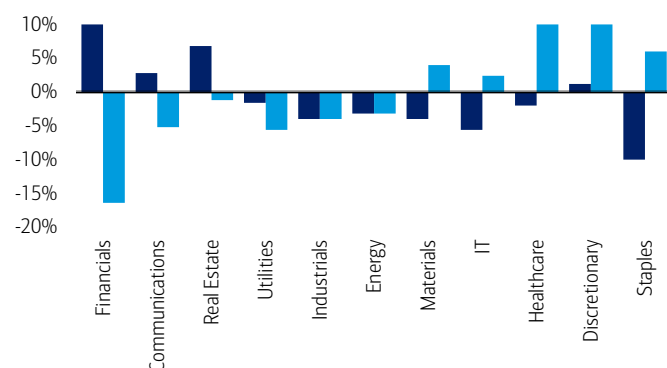


Source: BofA European Equity Quant Strategy, EPFR Global

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**Exhibit 47: Top Recovery stocks are most OW Financials, while bottom stocks are most OW Discretionary**

Top (dark blue) and bottom (light blue) Recovery relative sector weights

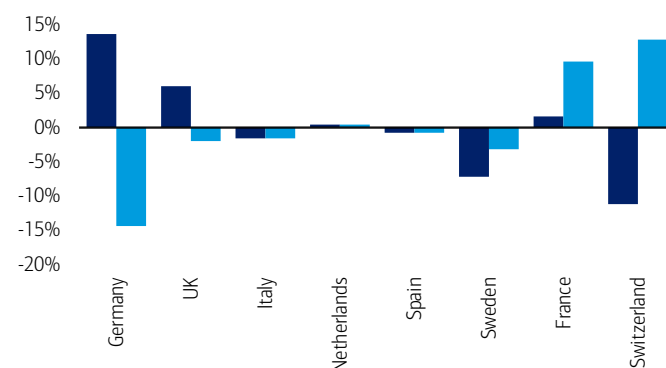


Source: BofA European Equity Quant Strategy

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**Exhibit 48: Top Recovery stocks are most OW Germany, while bottom stocks are most OW Switzerland**

Top (dark blue) and bottom (light blue) Recovery relative country weights

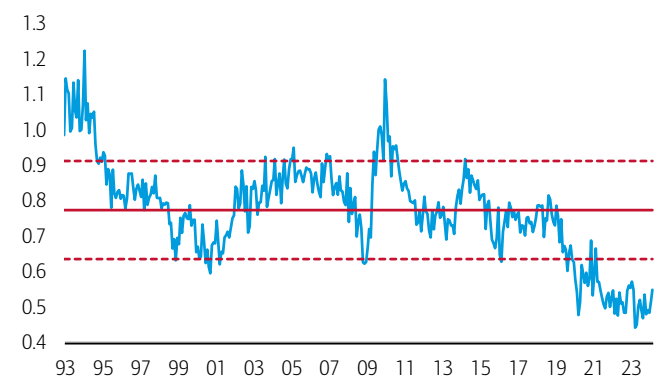


Source: BofA European Equity Quant Strategy

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**Exhibit 49: Top Recovery stocks trade at a 29% P/E discount to the market relative to the long term average**

Top Recovery stocks P/E relative to market

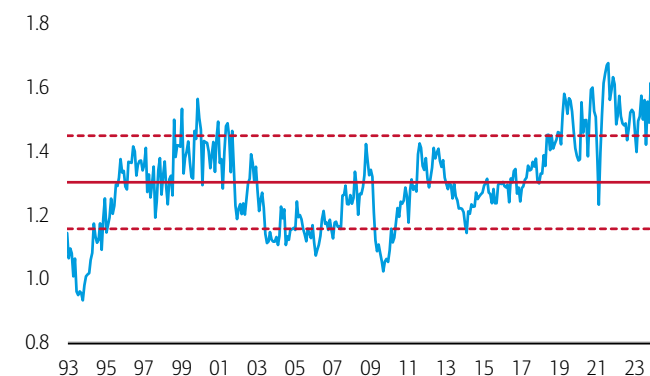


Source: BofA European Equity Quant Strategy

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**Exhibit 50: Bottom Recovery stocks trade at a 27% P/E premium to the market relative to the long term average**

Bottom Recovery stocks P/E relative to market



Source: BofA European Equity Quant Strategy

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# Appendix: additional screens

## Style Cycle screen for European SMIDs

### Exhibit 51: Style Cycle SMID - Recovery screens for Mar '24 (data as of 29/02/2024)

Top and Bottom Style Cycle SMID Recovery stocks

Top Stocks (Good Value, High Risk, Low Quality & Small Size)								Bottom Stocks (Poor Value, Low Risk, High Quality & Large Size)							
BBG Ticker	Name	Recovery Rank	Value Rank	ERR	Beta	RoE	Price	BBG Ticker	Name	Recovery Rank	Value Rank	ERR	Beta	RoE	Price
AT1 GR	Aroundtown	100	80	-0.10	1.7	2.9	1.6	BEAN SW	BELIMO	1	5	-0.50	1.2	26.8	419.6
GOGL US	Golden Ocean	100	48	0.11	1.3	4.6	135.6	ELISA FH	Elisa	1	33	-0.22	0.3	29.1	41.7
PNDXB SS	Pandox	100	34	0.08	2.8	1.0	156.0	ITRK LN	Intertek	1	21	-0.09	0.8	29.0	46.2
RBI AV	Raiffeisen Bank	100	100	0.30	1.8	21.3	19.2	SPX LN	Spirax-Sarco Engineering	1	6	-0.23	0.9	23.6	103.3
SCYR SM	Sacyr	100	72	0.10	1.8	11.4	3.0	AUTO LN	Auto Trader	2	5	0.05	0.8	48.9	7.4
AMS SW	ams-OSRAM	99	72	-0.23	2.4	-18.8	1.3	QIA GR	QIAGEN	2	13	-0.24	0.1	9.8	39.6
BALDB SS	Fastighets Balder	99	32	0.22	1.4	1.4	64.3	ROR LN	Rotork	2	20	-0.12	1.2	21.3	3.1
IVG IM	Iveco	99	89	0.25	1.8	11.1	11.4	EMSN SW	EMS-CHEMIE	3	10	-0.26	0.7	24.2	616.5
PIRC IM	Pirelli & C.	99	83	0.12	1.8	7.9	5.5	NIBEB SS	NIBE Industrier	3	16	-0.27	1.4	16.6	57.8
SESG FP	SES	99	80	0.04	1.3	1.7	6.0	SMIN LN	Smiths	3	40	-0.10	0.9	14.3	16.1
UNI SM	Unicaja Banco	99	99	0.00	1.2	4.0	0.9	ADDTB SS	Addtech	4	5	0.06	1.5	27.4	229.0
BPSO IM	Banca Popolare di Sondrio	98	94	0.29	1.8	12.1	6.9	BVI FP	Bureau Veritas	4	21	-0.06	1.2	26.2	26.9
CCL LN	Carnival	98	37	0.04	3.0	-1.1	11.2	CPR IM	Davide Campari-Milano	4	8	-0.20	0.7	10.2	9.4
COL SM	Inmobiliaria Colonial	98	41	0.07	1.5	1.0	5.0	IMI LN	IMI	4	37	-0.02	1.4	33.6	17.3
PAG LN	Paragon Banking	98	90	0.23	1.7	19.0	6.4	SXS LN	Spectris	4	35	-0.03	1.0	14.4	35.1
IDS LN	International Distributions Services	98	70	0.07	2.0	-11.3	2.4	AM FP	Dassault Aviation	5	35	-0.28	1.0	13.4	182.9
FABG SS	Fabege	97	30	0.33	1.1	1.8	84.6	PSO LN	Pearson	5	49	-0.17	0.4	9.4	9.6
FGP LN	FirstGroup	97	85	0.28	1.8	15.2	1.6	RMV LN	Rightmove	5	7	0.02	1.1	272.0	5.7
HUFVA SS	Hufvudstaden	97	29	0.10	1.2	3.1	123.0	TECN SW	Tecan	5	9	-0.42	0.5	9.4	344.8
TKA GR	thyssenkrupp	97	88	-0.20	2.3	-7.6	4.7	DEMANT DC	Demant	6	11	0.01	1.2	27.6	345.1
UTDI GR	United Internet	97	82	0.10	0.8	5.0	22.4	IMCD NA	IMCD	6	18	-0.17	1.3	19.0	140.9
VGP BB	VGP	97	29	-0.06	1.1	-3.9	101.4	ADM LN	Admiral	7	16	0.01	0.2	30.1	26.7
AVOL SW	Avolta	96	58	-0.09	2.2	2.3	34.6	AFX GR	Carl Zeiss Meditec	7	5	-0.15	1.1	13.4	113.8
COV FP	Covivio	96	84	-0.01	1.9	6.5	41.5	G1A GR	GEA Group	7	50	-0.02	1.2	19.8	37.3
EZJ LN	easyJet	96	81	0.42	3.1	12.3	5.4	SQN SW	Swissquote	7	23	-0.08	1.4	23.6	235.0

**Source:** BofA European Equity Quant Strategy, FactSet, Price in Local Currency. Companies listed represent the top and bottom 25 stocks within European SMIDs (companies with market cap less than 10bn EUR). The screen identified as Style Cycle SMID - Recovery above is intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. This screen was not created to act as a benchmark.

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**Exhibit 52: Style Cycle Europe Stoxx 600 supersectors - Recovery screens for Mar '24 (data as of 29/02/2024)**

Top and Bottom Style Cycle Recovery stocks by Europe Stoxx 600 supersectors

		Recovery Rank (100=Top)	BBG Ticker	Name	Recovery Rank (1=Bottom)	BBG Ticker	Name	Recovery Rank (100=Top)	BBG Ticker	Name	Recovery Rank (1=Bottom)
<b>Automobiles and Parts</b>						<b>Energy</b>					
FR FP	Valeo	95	RACE US	Ferrari	3	HUSQB SS	Husqvarna	55	BC IM	Brunello Cucinelli	47
FRVIA FP	Forvia	94	STLA US	Stellantis	34						
VOW GR	Volkswagen	88	DIE BB	D'leteren	36	HBR LN	Harbour Energy	100	GTT FP	Gaztransport & Technigaz	21
PAH3 GR	Porsche	66	ML FP	Michelin	44	VK FP	Vallourec	98	EQNR NO	Equinor	22
RNO FP	Renault	62				OMV AV	OMV	71	NESTE FH	Neste	28
<b>Banks</b>						PKN PW	ORLEN	68	TEN IM	Tenaris	38
RBI AV	Raiffeisen Bank	100	FBK IM	FinecoBank	20	AKRBP NO	Aker BP	63	SRG IM	SNAM	47
BMPS IM	Banca MPS	99	AZA SS	Avanza Bank	26	<b>Financial Services</b>					
VMUK LN	Virgin Money UK	98	HSBA LN	HSBC	38	RF FP	Eurazeo	98	PGHN SW	Partners	3
SAB SM	Banco de Sabadell	93	NDA FH	Nordea Bank	44	MNG LN	M&G	98	LSEG LN	London Stock Exchange	10
DBK GR	Deutsche Bank	87	DNB NO	DNB Bank	45	STJ LN	St James's Place	94	EQT SS	EQT	14
ABN NA	ABN AMRO Bank	83	SWEDA SS	Swedbank	50	GBLB BB	Bruxelles Lambert	84	DB1 GR	Deutsche Boerse	17
NWG LN	NatWest	79	KBC BB	KBC	62	BAER SW	Julius Baer	61	ENX FP	Euronext	35
BARC LN	Barclays	70	SEBA SS	SEB	64	<b>Food Beverage and Tobacco</b>					
CBK GR	Commerzbank	69				JDEP NA	JDE Peet's	66	DGE LN	Diageo	2
<b>Basic Resources</b>						MOWI NO	Mowi	58	NESN SW	Nestle	4
VOE AV	voestalpine	97	HPOLB SS	HEXPOL	27	ABF LN	Associated British Foods	56	KYGA ID	Kerry	11
MT NA	ArcelorMittal	92	SCAB SS	Svenska Cellulosa	30				LISN SW	Lindt & Spruengli	14
NDA GR	Aurubis	78	UPM FH	UPM-Kymmene	40				LOTB BB	Lotus Bakeries	22
NHY NO	Norsk Hydro	76	RIO LN	Rio Tinto	42				AAK SS	AAK	31
BILL SS	Billerud	73				<b>Health Care</b>					
<b>Chemicals</b>						GRF SM	Grifols	84	COLOB DC	Coloplast	1
LXS GR	LANXESS	93	AI FP	Air Liquide	4	GN DC	GN Store Nord	80	ROG SW	Roche	2
EVK GR	Evonik Industries	84	GIVN SW	Givaudan	6	FME GR	Fresenius	76	AZN LN	AstraZeneca	4
WCH GR	Wacker Chemie	81	EMSN SW	EMS-CHEMIE	10	FRE GR	Fresenius SE	69	NOVOB DC	Novo Nordisk	4
SDF GR	K+S	72	SY1 GR	Symrise	22	EVT GR	Evotec	68	NSISB DC	Novonesis	4
BAS GR	BASF	55	IMCD NA	IMCD	24	BAYN GR	Bayer	59	STMN SW	Straumann	5
<b>Construction and Materials</b>						ERF FP	Eurofins Scientific	52	ALC SW	Alcon	7
ANA SM	Acciona	99	SIKA SW	Sika	2	EKTAB SS	Elektro	50	LONN SW	Lonza	7
ACS SM	ACS Actividades	89	ASSAB SS	ASSA ABLOY	7				GMAB DC	Genmab	13
WIE AV	Wienerberger	89	GEBN SW	Geberit	17				ARGX BB	argenx	47
LIGHT NA	Signify	85	KSP ID	Kingspan	20	<b>Industrial Goods and Services</b>					
HEI GR	Heidelberg Materials	66	CRH US	CRH	24	IDS LN	International Distributions Services	99	ATCOA SS	Atlas Copco	1
<b>Consumer Products and Services</b>						TKA GR	thyssenkrupp	97	SGSN SW	SGS	3
BDEV LN	Barratt Developments	92	OR FP	L'Oreal	1	GFTU LN	Grafton	96	KNEBV FH	Kone	4
EMBRACB SS	Embracer	90	MC FP	LVMH	1	TPK LN	Travis Perkins	96	EPIA SS	Epiroc	5
VTY LN	Vistry	88	CPG LN	Compass	2	WLN FP	Worldline	95	SCHP SW	Schindler	5
BWY LN	Bellway	86	CFR SW	Richemont	3	MAERSKB DC	A.P. Moller - Maersk	94	SPX LN	Spirax-Sarco Engineering	5
WOSG LN	Watches of Switzerland	78	RMS FP	Hermes	3	VALMT FH	Valmet	92	SU FP	Schneider Electric	6

**Source:** BofA European Equity Quant Strategy, FactSet. Companies listed represent the top and bottom quintile stocks (or minimum 5 stocks) within Europe Stoxx 600 supersectors. The screens identified as Europe Stoxx 600 supersectors - Recovery above are intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. These screens were not created to act as benchmarks.

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Top and Bottom Style Cycle Recovery stocks by Europe Stoxx 600 supersectors

Recovery					Recovery					Recovery				
BBG Ticker	Name	Rank (100=Top)	BBG Ticker	Name	Rank (1=Bottom)	BBG Ticker	Name	Rank (100=Top)	BBG Ticker	Name	Rank (1=Bottom)			
ADEN SW	Adecco	91	RHM GR	Rheinmetall	7	COFB BB	Cofinimmo	91						
ISS DC	ISS	91	BA/ LN	BAE Systems	8	Retail								
ALO FP	Alstom	87	ITRK LN	Intertek	8	AVOL SW	Avolta	96	ITX SM	Inditex	6			
ADP FP	Aeroports de Paris	86	HLMA LN	Halma	11	RUI FP	Rubis	75	NXT LN	Next	31			
KGX GR	KION	85	SAF FP	Safran	11	SMWH LN	WH Smith	69	HWDN LN	Howden Joinery	32			
ELIS FP	Elis	82	EXPN LN	Experian	12	KGF LN	Kingfisher	60	HMB SS	H&M	33			
RXL FP	Rexel	78	ABBN SW	ABB	15	BME LN B&M European Value Retail								
NEX FP	Nexans	74	ADDTB SS	Addtech	16	Technology								
HAS LN	Hays	69	ADYEN NA	Adyen	20	TKWY NA	Just Eat Takeaway.com	84	DSY FP	Dassault Systemes	5			
INCH LN	Inchcape	68	DPLM LN	Diploma	24	ATE FP	Alten	72	ASML NA	ASML	8			
AALB NA	Aalberts	66	KOG NO	Kongsberg	24	TIETO FH	TietoEVRY	71	AUTO LN	Auto Trader	10			
AZE BB	Azelis	66	ACLN SW	Accelleron Industries	27	SOP FP	Sopra Steria	59	SGE LN	Sage	13			
SECUB SS	Securitas	50	VACN SW	VAT	29	FNOX SS Fortnox								
TEP FP	Teleperformance	50	RAA GR	Rational	30	NEM GR Nemetschek								
Insurance					Telecommunications									
PHNX LN	Phoenix	97	MUV2 GR	Munich Re	12	TIGO US	Millicom Int.	100	ELISA FH	Elisa	8			
AGN NA	Aegon	94	ZURN SW	Zurich Insurance	16	SESG FP	SES	100	SCMN SW	Swisscom	17			
AV/ LN	Aviva	92	HNR1 GR	Hannover Rueck	20	TIT IM	Telecom Italia	98	KPN NA	Royal KPN	30			
ASRNL NA	ASR Nederland	81	TOP DC	Topdanmark	24	VOD LN	Vodafone	69	DTE GR	Deutsche Telekom	33			
NN NA	NN	72	ADM LN	Admiral	28	TEF SM	Telefonica	64	INW IM	Infrastrutture Wireless	46			
SCR FP	SCOR	72	TRYG DC	Tryg	34	Travel and Leisure								
Media					LHA GR	Deutsche Lufthansa	93	EVO SS	Evolution	2				
ITV LN	ITV	79	REL LN	RELX	1	IAG LN	IAG	92	FLTR LN	Flutter Entertainment	16			
WPP LN	WPP	63	WKL NA	Wolters Kluwer	1	TUI1 GR	TUI	88	IHG LN	IHG	22			
VIV FP	Vivendi	51	UMG NA	Universal Music	5	SSPG LN	SSP	84	FDJ FP	La Francaise des Jeux	34			
					INF LN	Informa	37							
					PUB FP	Publicis	41							
Personal Care Drug and Grocery Stores					ECV GR	Encavis	96	SSE LN	SSE	19				
SBRY LN	J Sainsbury	84	ULVR LN	Unilever	2	DRX LN	Drax	94	IBE SM	Iberdrola	30			
MKS LN	Marks & Spencer	76	DNP PW	Dino Polska	5	A2A IM	A2A	90	SVT LN	Severn Trent	38			
HFG GR	HelloFresh	54	RKT LN	Reckitt Benckiser	7	FORTUM FH	Fortum	90	TRN IM	TERNA	40			
CA FP	Carrefour	53	BEI GR	Beiersdorf	14	CNA LN	Centrica	83	NG/ LN	National Grid	48			
TSCO LN	Tesco	50	AXFO SS	Axfood	29	ENGI FP	ENGIE	72						
Real Estate														
URW FP	Unib-Rodam-West Uts	100	RMV LN	Rightmove	17									
COV FP	Covivio	99	SGRO LN	SEGRO	49									
MRL SM	MERLIN Properties	97												
COL SM	Inmobiliaria Colonial	96												
LXI LN	LXI REIT	95												

**Source:** BofA European Equity Quant Strategy, FactSet. Companies listed represent the top and bottom quintile stocks (or minimum 5 stocks) within Europe Stoxx 600 supersectors. The screens identified as Europe Stoxx 600 supersectors - Recovery above are intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. These screens were not created to act as benchmarks.



**Exhibit 54: Style Cycle Europe Stoxx 600 countries - Recovery screens for Mar '24 (data as of 29/02/2024)**

Top and Bottom Style Cycle Recovery stocks by Europe Stoxx 600 countries

BBG Ticker	Name	Recovery Rank (100=Top)	BBG Ticker	Name	Recovery Rank (1=Bottom)	BBG Ticker	Name	Recovery Rank (100=Top)	BBG Ticker	Name	Recovery Rank (1=Bottom)
France						Netherlands					
URW FP	Unib-Rodam	100	OR FP	L'Oreal	1	AGN NA	Aegon	94	WKL NA	Wolters Kluwer	1
COV FP	Covivio	99	MC FP	LVMH	1	LIGHT NA	Signify	85	UMG NA	Universal Music	5
RF FP	Eurazeo	98	RMS FP	Hermes	3	TKWY NA	Just Eat Takeaway.com	84	ASML NA	ASML	8
VK FP	Vallourec	98	AI FP	Air Liquide	4	ABN NA	ABN AMRO Bank	83	AD NA	Ahold Delhaize	13
LI FP	Klepierre	95	DSY FP	Dassault Systemes	5	OCI NA	OCI	82	BESI NA	BE Semiconductor Inds	16
FR FP	Valeo	95	SU FP	Schneider Electric	6	ASRNL NA	ASR Nederland	81	ASM NA	ASM	19
WLN FP	Worldline	95	EL FP	EssilorLuxottica	8	Spain					
FRVIA FP	Forvia	94	LR FP	Legrand	9	ANA SM	Acciona	99	ITX SM	Inditex	6
AMUN FP	Amundi	92	RI FP	Pernod Ricard	9	MRL SM	MERLIN Properties	97	AMS SM	Amadeus IT	20
ACA FP	Credit Agricole	91	SAF FP	Safran	11	COL SM	Inmobiliaria Colonial	96	IBE SM	Iberdrola	30
UBI FP	Ubisoft Entertainment	88	BVI FP	Bureau Veritas	14	SAB SM	Banco de Sabadell	93	VIS SM	Viscofan	34
ALO FP	Alstom	87	CAP FP	Capgemin	14	ENG SM	Enagas	89	ELE SM	Endesa	39
ADP FP	Aeroports de Paris	86	AM FP	Dassault Aviation	14	Sweden					
ELIS FP	Elis SA	82	HO FP	Thales	15	TIGO US	Millicom Int.	100	ATCOA SS	Atlas Copco	1
GET FP	Getlink	80	SAN FP	Sanofi	17	BALDB SS	Fastighets Balder	98	EVO SS	Evolution	2
Germany						CAST SS	Castellum	97	EPIA SS	Epiroc	5
TKA GR	thyssenkrupp	97	QIA GR	QIAGEN	7	FABG SS	Fabege	97	ASSAB SS	ASSA ABLOY	7
ECV GR	Encavis	96	RHM GR	Rheinmetall	7	WALLB SS	Wallenstam	96	ALFA SS	Alfa Laval	10
ENR GR	Siemens Energy	95	MRK GR	Merck	9	EMBRACB SS	Embracer	90	HEXAB SS	Hexagon	11
LHA GR	Deutsche Lufthansa	93	SAP GR	SAP	9	VOLCARB SS	Volvo Car	87	NIBEB SS	NIBE Industrier	13
LXS GR	LANXESS	93	P911 GR	Porsche	12	WIHL SS	Wihlborgs Fastigheter	87	EQT SS	EQT	14
VOW GR	Volkswagen	88	MUV2 GR	Munich Re	12	SSABA SS	SSAB	86	ADDTB SS	Addtech	16
DBK GR	Deutsche Bank	87	BEI GR	Beiersdorf	14	SKAB SS	Skanska	83	SAND SS	Sandvik	23
KGX GR	KION	85	IFX GR	Infineon Technologies	15	BILL SS	Billerud	73	FNOX SS	Fortnox	24
EVK GR	Evonik Industries	84	SHL GR	Siemens Healthineers	16	Switzerland					
VNA GR	Vonovia	83	DB1 GR	Deutsche Boerse	17	AVOL SW	Avolta	96	ROG SW	Roche	2
TEG GR	TAG Immobilien	81	HEN3 GR	Henkel	18	ADEN SW	Adecco	91	SIKA SW	Sika	2
WCH GR	Wacker Chemie	81	HNR1 GR	Hannover Rueck	20	BKW SW	BKW	85	CFR SW	Richemont	3
NDA GR	Aurubis	78	AFX GR	Carl Zeiss Meditec	22	SPSN SW	Swiss Prime Site	76	PGHN SW	Partners	3
HOT GR	HOCHTIEF	77	SY1 GR	Symrise	22	HELN SW	Helvetia	73	SGSN SW	SGS	3
Italy						PSPN SW	PSP Swiss Property	73	NESN SW	Nestle	4
BMPS IM	Banca MPS	99	RACE US	Ferrari	3	FHZN SW	Flughafen Zuerich	71	SCHP SW	Schindler	5
TIT IM	Telecom Italia	98	MONC IM	Moncler	3	BALN SW	Baloise	70	STMN SW	Straumann	5
BPE IM	BPER Banca	97	CPR IM	Davide Campari-Milano	19	CLN SW	Clariant	63	GIVN SW	Givaudan	6
A2A IM	A2A	90	FBK IM	FinecoBank	20	BAER SW	Julius Baer	61	LONN SW	Lonza	7
AZM IM	Azimut	90	STMPA FP	STMicroelectronics	21	United Kingdom					
HER IM	Hera	86	AMP IM	Amplifon	26	HBR LN	Harbour Energy	100	REL LN	RELX	1
BZU IM	Buzzi	82	REY IM	Reply	26	IDS LN	International Distributions Services	99	CPG LN	Compass	2

**Source:** BofA European Equity Quant Strategy, FactSet. Companies listed represent the top and bottom quintile stocks (or minimum 5 stocks) within 8 Europe Stoxx 600 countries. The screens identified as Europe Stoxx 600 countries - Recovery above are intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. These screens were not created to act as benchmarks

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# Exhibit 55: Style Cycle Europe Stoxx 600 countries - Recovery screens for Mar '24 (data as of 29/02/2024)

Top and Bottom Style Cycle Recovery stocks by Europe Stoxx 600 countries

Recovery				Recovery				Recovery				Recovery			
BBG		Rank		Rank				Rank				Rank			
Ticker	Name	(100=Top)	BBG Ticker	Name	(1=Bottom)	BBG Ticker	Name	(100=Top)	BBG Ticker	Name	(1=Bottom)	Ticker	Name	(100=Top)	BBG Ticker
MNG LN	M&G	98	DGE LN	Diageo	2										
VMUK LN	Virgin Money UK	98	ULVR LN	Unilever	2										
PHNX LN	Phoenix	97	AZN LN	AstraZeneca	4										
GFTU LN	Grafton	96	SPX LN	Spirax-Sarco Engineering	5										
TPK LN	Travis Perkins	96	RKT LN	Reckitt Benckiser	7										
LXI LN	LXI REIT	95	AHT LN	Ashtead	8										
DRX LN	Drax	94	BA/ LN	BAE Systems	8										
OCDO LN	Ocado	94	GSK LN	GSK	8										
STJ LN	St James's Place	94	ITRK LN	Intertek	8										
BLND LN	British Land	93	AUTO LN	Auto Trader	10										
AV/ LN	Aviva	92	LSEG LN	London Stock Exchange	10										
BDEV LN	Barratt Developments	92	RTO LN	Rentokil Initial	10										
IAG LN	IAG	92	HLMA LN	Halma	11										
TW/ LN	Taylor Wimpey	91	ROR LN	Rotork	11										
INVP LN	Investec	89	EXPN LN	Experian	12										
PNN LN	Pennon	89	HLN LN	Haleon	12										
PSN LN	Persimmon	89	SMIN LN	Smiths	12										
LAND LN	Land Securities	88	IMB LN	Imperial Brands	13										
TUI1 GR	TUI	88	SGE LN	Sage	13										
VTY LN	Vistry	88	BATS LN	British American Tobacco	15										
BWY LN	Bellway	86	PSON LN	Pearson	15										
SBRY LN	J Sainsbury	84	FLTR LN	Flutter Entertainment	16										
SSPG LN	SSP G	84	SXS LN	Spectris	16										
CNA LN	Centrica	83	RMV LN	Rightmove	17										
BT/A LN	BT	82	IMI LN	IMI	19										
LMP LN	LondonMetric Property	82	SSE LN	SSE	19										

**Source:** BofA European Equity Quant Strategy, FactSet. Companies listed represent the top and bottom quintile stocks (or minimum 5 stocks) within 8 Europe Stoxx 600 countries. The screens identified as Europe Stoxx 600 countries - Recovery above are intended to be an indicative metric only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties for any other purpose, without the prior written consent of BofA Global Research. These screens were not created to act as benchmarks.

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# Explaining the European Style Cycle

Style cycle: the relationship between the economic cycle and investment style

- We draw on the back-testing results first presented in February 2004, using data (since January 1992) on investment style price returns and the economic cycle to create the European 'Style Cycle'.
- The European 'Style Cycle' aims to offer what we believe are two vital components for investing across the cycle. These are: a) timing, and b) rotation.
- Investment styles with potential for success are based on favourable positioning within the cycle. Highlighted investment styles are expected to outperform the MSCI European equal-weight price index.
- We identify investment styles that we believe have the characteristics to underperform the MSCI European equal-weight price index, based on the unfavourable positioning within the cycle at a particular point in time. The screens resulting from the investment styles are 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.

We observe the year on year changes for signals of economic expansion or contraction, and analyse monthly changes in the index for indications of peaks and troughs in macro data. The combination helps investors navigate the economic cycle, acting as a timing indicator for style rotation.

We show the relationship between the European economic cycle and price performance of various investment styles in the chart below. The four phases of the economic cycle are dictated by changes in the European CMI. The style preferences in each phase are based on the back-testing results of average monthly price returns from following individual investment styles during the changing conditions in the economic cycle

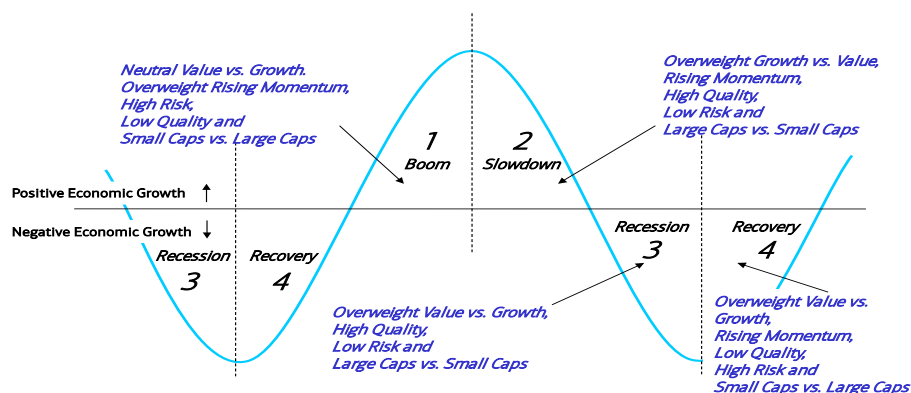
As a reminder, the CMI is an equal-weighted composite indicator of 6 inputs:

- Pan European GDP forecasts – 12m fwd forecasted GDP growth for the Developed European countries
- BofA Europe Leading Indicator – 12m change in BofA Europe Leading Indicator which indicates an acceleration (deceleration) in anticipated GDP growth, above (below) long-term GDP growth for Europe
- European 10Y bond yield – 12m actual change in average of 10Y bond yields of Germany, UK and France
- German IFO – level of indicator as published by the IFO institute for the Trade and Industry (Excluding Services) survey
- European PPI – Eurozone Producer Price inflation (expressed as 12m change) ex Construction, SRWG, Waste Management and Remediation Activities
- Global EPS Revision Ratio – ratio between the number of companies in the MSCI ACWI index for which Refinitiv consensus earnings estimates have been raised versus those that have been lowered

We take each one of the six variables as they existed at month end and record the data, then using z-scores to normalise the data (some are percentages, some are levels and others are ratios). Using a percentile rank methodology of each variable can achieve the same outcome. We then aggregate the individual data series by using an equal-weight average. The sum of the individual data or aggregate macro series is referred to as the European Composite Macro Index (CMI).

### Exhibit 56: Phases of the Economic Cycle\* & Investment Style Preferences – ‘Style Cycle’

Style Cycle framework



*Phase 1 - Rising & Accelerating; Phase 2 - Rising & Decelerating; Phase 3 - Falling & Decelerating; Phase 4 - Falling & Accelerating.*

\*Economic Cycle based on the ML Composite Macro Indicator

Source: BofA European Equity Quant Strategy

Back testing period from Dec 1992 to Dec 2003. Actual Performance Jan 2004.

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## Back testing – European Style Cycle

### Back-testing the cycle with investment style

The table below includes the average excess price returns (monthly) for individual investment styles at each phase of the economic cycle. Style performance is versus MSCI Europe equal weight Price Index.

### Exhibit 57: Monthly excess returns by investment style and phases of the economic cycle

Backtesting results (based on period from Dec '92 to Dec '03)

Economic cycle	Value	Growth	Momentum	Quality	Risk	Size
				hi-lo	high	(large-small)
Phase 1 - 'Boom' rising accelerating	1.10	0.78	0.97	-1.34	0.65	-0.75
Phase 2 - 'Slowdown' rising decelerating	0.00	0.44	0.89	0.52	0.07	0.25
Phase 3 - 'Recession' falling decelerating	-0.70	-1.91	-0.81	6.37	-2.85	1.10
Phase 4 - 'Recovery' falling accelerating	2.47	1.31	0.10	-3.00	2.66	-2.05
Cycle average	0.72	0.15	0.29	0.64	0.13	-0.36

Source: BofA European Equity Quant Strategy/ Refinitiv/ OECD/ MSCI; Back testing period Dec 1992 to Dec 2003. Performance based on equal weight portfolios, monthly rebalanced, no transaction costs are included, and performances based on price returns in EUR and not total returns (dividends are not included).

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Summarising the results - we draw the following conclusions:

Phase 1 'Boom' - investors have benefited most by being overweight Momentum (Rising Price & EPS), High Risk (High Beta & High Estimate Dispersion), Small Caps vs Large Caps and being Neutral on Value vs Growth. Phase 2 'Slow-down' - investors have benefited most by overweighting Growth vs Value, Momentum (Rising Price & EPS), High Quality (Strong Balance Sheet indicators), Low Risk (Low Beta & Low Estimate Dispersion) and Large Caps vs Small Caps. Phase 3 'Recession' – overweight Value vs

Growth, High Quality (Strong Balance Sheet indicators), Low Risk (Low Beta & Low Estimate Dispersion) and Large Caps vs Small Caps. Phase 4 'Recovery' – overweight Value vs Growth, Momentum (Rising Price & EPS), Low Quality (Weak Balance Sheet indicators), High Risk and Small vs Large Caps.

The back-testing results illustrate how certain investment styles work well compared to others, depending on the economic conditions and ultimately where we are in the cycle. The data presented above looks at all periods since 1992, including 5 complete cycles.

For the purpose of the historical back-testing, we calculate price returns in our analysis, not total returns. Dividends are not re-invested and performance does not include tax withholdings or any investment advisory fees. We do not include transaction costs, and we do not include implementation costs or borrowing costs in the absolute 'Style Cycle' price returns.

Price returns are based on month end data, meaning we use closing stock prices for the last trading day of the calendar month. All screens are based on month end data and it is assumed on the 1st business day of the new month our screens would have been available to the market. We calculate the profit or loss for a particular month based on the month end data from one period to the month end data of the next period.

Screens are determined at the end of each month using month-end data. Price performance is calculated as the simple average performance of the stocks within the screen. In order that we compare like with like, screen performance is compared to an equal-weighted average performance of all stocks in the universe. In this way, we remove any size bias from the analysis, and thereby test whether the factors on which we are focused predict price performance. It is noteworthy that BofA restricted stocks have not been excluded from any part of the historical monthly screens as defined as the back-test period.

Back-tested performance is hypothetical in nature and reflects application of the screen prior to its introduction and is not intended to be indicative of future performance.

## Definitions

### Investment styles

**Value:** Equal weighted combination of factors - Forecast/Trailing EPS Yield, Dividend Yield, Cash to Price Yield, Book to Price Yield, Price to Sales and Forecast PEG

**Growth:** Equal weighted combination of factors - Forecast/Trailing EPS Growth, Forecast EPS Change and Forecast Long Term Growth

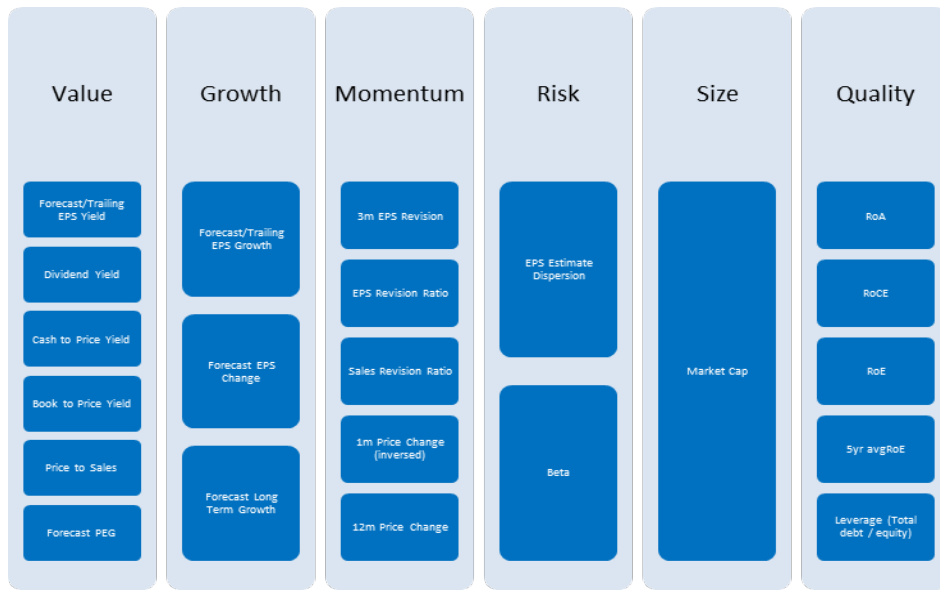
**Momentum:** Equal weighted combination of factors - 3m EPS Change, EPS Revision Ratio, Sales Revision Ratio, 1m Price Change and 12m Price Change

**Quality:** Equal weighted combination of factors - Return on Assets, Return on Capital, Return on Equity, 5yr Return on Equity and Leverage

**Risk:** Equal weighted combination of factors - EPS Estimate Dispersion and Beta

**Exhibit 58: Style components**

Individual factors that are used for style composites



Source: BofA European Equity Quant Strategy

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**Multi factor models**

**STYLE CYCLE:** The European 'Style Cycle' links phases of the economic cycle with the performance of investment style. Stocks are screened based on their equal weighted rank of Value, Growth, Momentum, Quality and Risk.

**Absolute return**

Absolute return is calculated based on monthly returns and reflects simple price appreciation (depreciation) over the stated period of the screened stocks. For purposes of this calculation, the stocks in the screen are assumed to be equally weighted. Returns do not reflect dividend or costs.

**Relative return**

Relative return is calculated based on monthly returns and reflects simple price appreciation (depreciation) over the stated period of the screened stocks minus the return for our Equal weighted European Universe. Returns do not reflect dividend or costs.

**Performances of phases****Exhibit 59: European Absolute factor returns by Style Cycle phase (%)**

Prices as of end of last month

Style	Factor Name	1M	3M	6M	12M	YTD	3YR	5YR	Since Incpt.*
Multi-factor	Style Cycle - Top	-1.3	1.6	2.4	9.4	-0.2	19.1	30.3	387.6
Multi-factor	Style Cycle - Bottom	0.5	6.5	6.1	-3.5	-0.4	7.8	35.2	20.7
Multi-factor	Style Cycle - BOOM - Top	0.5	5.2	8.3	1.9	2.1	27.5	40.5	213.2
Multi-factor	Style Cycle - BOOM - Bottom	2.0	8.1	5.4	6.9	2.8	15.0	38.1	215.7
Multi-factor	Style Cycle - SLOWDOWN - Top	5.0	12.3	15.4	20.6	8.9	26.1	49.6	499.7
Multi-factor	Style Cycle - SLOWDOWN - Bottom	-0.4	5.6	4.1	-5.6	-1.2	1.5	-6.8	0.1
Multi-factor	Style Cycle - RECESSION - Top	-1.3	1.6	2.4	6.5	-0.2	31.9	40.5	98.5
Multi-factor	Style Cycle - RECESSION - Bottom	0.5	6.5	6.1	-2.1	-0.4	-15.4	-3.9	99.5
Multi-factor	Style Cycle - RECOVERY - Top	-0.6	1.7	4.3	-5.3	-0.2	26.6	45.8	181.0
Multi-factor	Style Cycle - RECOVERY - Bottom	4.7	13.0	15.1	17.6	7.6	33.2	60.2	284.6
<b>Market</b>	<b>European Market (abs)</b>	<b>1.7</b>	<b>6.8</b>	<b>7.2</b>	<b>5.0</b>	<b>2.3</b>	<b>16.6</b>	<b>29.3</b>	<b>154.9</b>

Source: BofA European Equity Quant Strategy, FactSet. \*Inception – January 2003.

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**Exhibit 60: European Relative factor returns by Style Cycle phase (%)**

Prices as of end of last month

Style	Factor Name	1M	3M	6M	12M	YTD	3YR	5YR	Since Incpt.*
Multi-factor	Style Cycle - Top	-3.0	-4.9	-4.4	4.2	-2.5	2.2	0.8	91.3
Multi-factor	Style Cycle - Bottom	-1.2	-0.4	-1.1	-8.1	-2.7	-7.5	4.6	-52.7
Multi-factor	Style Cycle - BOOM - Top	-1.2	-1.6	1.1	-2.9	-0.2	9.4	8.7	22.8
Multi-factor	Style Cycle - BOOM - Bottom	0.2	1.2	-1.6	1.8	0.4	-1.3	6.8	23.8
Multi-factor	Style Cycle - SLOWDOWN - Top	3.2	5.1	7.6	14.9	6.4	8.1	15.7	135.2
Multi-factor	Style Cycle - SLOWDOWN - Bottom	-2.1	-1.2	-2.9	-10.1	-3.5	-12.9	-27.9	-60.7
Multi-factor	Style Cycle - RECESSION - Top	-3.0	-4.9	-4.4	1.4	-2.5	13.2	8.7	-22.2
Multi-factor	Style Cycle - RECESSION - Bottom	-1.2	-0.4	-1.1	-6.8	-2.7	-27.4	-25.6	-21.7
Multi-factor	Style Cycle - RECOVERY - Top	-2.3	-4.8	-2.7	-9.8	-2.5	8.6	12.8	10.2
Multi-factor	Style Cycle - RECOVERY - Bottom	3.0	5.7	7.4	12.0	5.2	14.3	23.9	50.8

Source: BofA European Equity Quant Strategy, FactSet. \*Inception – January 2003.

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**Exhibit 61: European Style Cycle advancers**

Number of companies which saw their price up over the last month

Factor Name	1M	3M	6M	12M	YTD	3YR	5YR	Since Incpt.*
Style Cycle - Top	9	43	81	174	25	471	803	3463
Style Cycle - Bottom	12	45	79	145	24	480	821	3347
Style Cycle - BOOM - Top	14	46	89	161	29	495	815	3476
Style Cycle - BOOM - Bottom	17	56	90	166	34	492	836	3477
Style Cycle - SLOWDOWN - Top	20	60	98	184	39	494	832	3511
Style Cycle - SLOWDOWN - Bottom	13	49	87	156	27	469	769	3335
Style Cycle - RECESSION - Top	9	43	81	165	25	500	837	3449
Style Cycle - RECESSION - Bottom	12	45	79	152	24	438	769	3389
Style Cycle - RECOVERY - Top	13	40	83	149	25	495	816	3439
Style Cycle - RECOVERY - Bottom	18	61	102	182	38	506	854	3484
<b>Market</b>	<b>144</b>	<b>472</b>	<b>846</b>	<b>1588</b>	<b>282</b>	<b>4747</b>	<b>8042</b>	<b>12666</b>

Source: BofA European Equity Quant Strategy, FactSet. \*Inception – January 2003.

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**Exhibit 62: European Style Cycle decliners**

Number of companies which saw their price down over the last month

Factor Name	1M	3M	6M	12M	YTD	3YR	5YR	Since Incpt.*
Style Cycle - Top	16	32	69	126	25	428	671	2908
Style Cycle - Bottom	13	30	71	155	26	420	652	3020
Style Cycle - BOOM - Top	11	29	61	139	21	405	664	2891
Style Cycle - BOOM - Bottom	8	19	60	134	16	407	646	2893
Style Cycle - SLOWDOWN - Top	5	15	52	116	11	405	655	2860
Style Cycle - SLOWDOWN - Bottom	12	26	63	144	23	431	708	3030
Style Cycle - RECESSION - Top	16	32	69	135	25	399	636	2919
Style Cycle - RECESSION - Bottom	13	30	71	148	26	462	705	2972
Style Cycle - RECOVERY - Top	12	34	66	150	25	404	658	2926
Style Cycle - RECOVERY - Bottom	7	14	48	118	12	394	632	2886
<b>Market</b>	<b>106</b>	<b>277</b>	<b>653</b>	<b>1411</b>	<b>218</b>	<b>4248</b>	<b>6725</b>	<b>11056</b>

Source: BofA European Equity Quant Strategy, FactSet. \*Inception – January 2003.

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# Historical phases of the 'Style Cycle'

## Exhibit 63: Style Cycle – historical phases

February 1995 to date

Month	CMI phase	Month	CMI phase	Month	CMI phase	Month	CMI phase	Month	CMI phase
Feb-95 Slowdown		Feb-00 Boom		Feb-05 Slowdown		Feb-10 Boom		Feb-15 Recession	
Mar-95 Slowdown		Mar-00 Boom		Mar-05 Slowdown		<b>Mar-10 Slowdown</b>		Mar-15 Recession	
Apr-95 Slowdown		<b>Apr-00 Slowdown</b>		Apr-05 Slowdown		Apr-10 Slowdown		<b>Apr-15 Recovery</b>	
May-95 Slowdown		May-00 Slowdown		May-05 Slowdown		May-10 Slowdown		May-15 Recovery	
Jun-95 Slowdown		Jun-00 Slowdown		Jun-05 Slowdown		Jun-10 Slowdown		Jun-15 Recovery	
Jul-95 Slowdown		Jul-00 Slowdown		Jul-05 Slowdown		Jul-10 Slowdown		Jul-15 Recovery	
Aug-95 Slowdown		Aug-00 Slowdown		<b>Aug-05 Boom</b>		Aug-10 Slowdown		Aug-15 Recovery	
Sep-95 Slowdown		Sep-00 Slowdown		Sep-05 Boom		Sep-10 Slowdown		Sep-15 Recovery	
<b>Oct-95 Recession</b>		Oct-00 Slowdown		Oct-05 Boom		Oct-10 Slowdown		Oct-15 Recovery	
Nov-95 Recession		Nov-00 Slowdown		Nov-05 Boom		Nov-10 Slowdown		Nov-15 Recovery	
Dec-95 Recession		Dec-00 Slowdown		Dec-05 Boom		<b>Dec-10 Boom</b>		Dec-15 Recovery	
Jan-96 Recession		Jan-01 Slowdown		Jan-06 Boom		Jan-11 Boom		Jan-16 Recovery	
<b>Feb-96 Recovery</b>		<b>Feb-01 Recession</b>		Feb-06 Boom		Feb-11 Boom		Feb-16 Recovery	
Mar-96 Recovery		Mar-01 Recession		Mar-06 Boom		Mar-11 Boom		<b>Mar-16 Recession</b>	
Apr-96 Recovery		Apr-01 Recession		Apr-06 Boom		<b>Apr-11 Slowdown</b>		Apr-16 Recession	
May-96 Recovery		May-01 Recession		May-06 Boom		May-11 Slowdown		May-16 Recession	
Jun-96 Recovery		Jun-01 Recession		Jun-06 Boom		Jun-11 Slowdown		Jun-16 Recession	
Jul-96 Recovery		Jul-01 Recession		Jul-06 Boom		Jul-11 Slowdown		Jul-16 Recession	
Aug-96 Recovery		Aug-01 Recession		<b>Aug-06 Slowdown</b>		Aug-11 Slowdown		Aug-16 Recession	
Sep-96 Recovery		Sep-01 Recession		Sep-06 Slowdown		<b>Sep-11 Recession</b>		Sep-16 Recession	
Oct-96 Recovery		Oct-01 Recession		Oct-06 Slowdown		Oct-11 Recession		<b>Oct-16 Recovery</b>	
Nov-96 Recovery		Nov-01 Recession		Nov-06 Slowdown		Nov-11 Recession		Nov-16 Recovery	
Dec-96 Recovery		Dec-01 Recession		Dec-06 Slowdown		Dec-11 Recession		Dec-16 Recovery	
<b>Jan-97 Boom</b>		<b>Jan-02 Recovery</b>		Jan-07 Slowdown		Jan-12 Recession		Jan-17 Recovery	
Feb-97 Boom		Feb-02 Recovery		Feb-07 Slowdown		Feb-12 Recession		<b>Feb-17 Boom</b>	
Mar-97 Boom		Mar-02 Recovery		Mar-07 Slowdown		Mar-12 Recession		Mar-17 Boom	
Apr-97 Boom		<b>Apr-02 Boom</b>		Apr-07 Slowdown		<b>Apr-12 Recovery</b>		Apr-17 Boom	
May-97 Boom		<b>May-02 Slowdown</b>		May-07 Slowdown		May-12 Recovery		May-17 Boom	
Jun-97 Boom		Jun-02 Slowdown		Jun-07 Slowdown		Jun-12 Recovery		Jun-17 Boom	
Jul-97 Boom		Jul-02 Slowdown		Jul-07 Slowdown		Jul-12 Recovery		Jul-17 Boom	
Aug-97 Boom		Aug-02 Slowdown		Aug-07 Slowdown		Aug-12 Recovery		Aug-17 Boom	
Sep-97 Boom		Sep-02 Slowdown		Sep-07 Slowdown		Sep-12 Recovery		Sep-17 Boom	
Oct-97 Boom		Oct-02 Slowdown		Oct-07 Slowdown		Oct-12 Recovery		Oct-17 Boom	
Nov-97 Boom		Nov-02 Slowdown		Nov-07 Slowdown		Nov-12 Recovery		Nov-17 Boom	
Dec-97 Boom		Dec-02 Slowdown		Dec-07 Slowdown		Dec-12 Recovery		Dec-17 Boom	
<b>Jan-98 Slowdown</b>		<b>Jan-03 Recession</b>		Jan-08 Slowdown		Jan-13 Recovery		Jan-18 Boom	
Feb-98 Slowdown		Feb-03 Recession		Feb-08 Slowdown		Feb-13 Recovery		Feb-18 Boom	
Mar-98 Slowdown		Mar-03 Recession		Mar-08 Slowdown		Mar-13 Recovery		Mar-18 Boom	
<b>Apr-98 Recession</b>		Apr-03 Recession		Apr-08 Slowdown		Apr-13 Recovery		<b>Apr-18 Slowdown</b>	
May-98 Recession		May-03 Recession		May-08 Slowdown		May-13 Recovery		May-18 Slowdown	
Jun-98 Recession		<b>Jun-03 Recovery</b>		Jun-08 Slowdown		<b>Jun-13 Boom</b>		Jun-18 Slowdown	
Jul-98 Recession		Jul-03 Recovery		Jul-08 Slowdown		Jul-13 Boom		Jul-18 Slowdown	
Aug-98 Recession		Aug-03 Recovery		Aug-08 Slowdown		Aug-13 Boom		Aug-18 Slowdown	
Sep-98 Recession		<b>Sep-03 Boom</b>		<b>Sep-08 Recession</b>		Sep-13 Boom		Sep-18 Slowdown	
Oct-98 Recession		Oct-03 Boom		Oct-08 Recession		Oct-13 Boom		<b>Oct-18 Recession</b>	
Nov-98 Recession		Nov-03 Boom		Nov-08 Recession		<b>Nov-13 Slowdown</b>		Nov-18 Recession	
Dec-98 Recession		Dec-03 Boom		Dec-08 Recession		Dec-13 Slowdown		Dec-18 Recession	
Jan-99 Recession		Jan-04 Boom		Jan-09 Recession		Jan-14 Slowdown		Jan-19 Recession	
<b>Feb-99 Recovery</b>		Feb-04 Boom		Feb-09 Recession		Feb-14 Slowdown		Feb-19 Recession	
Mar-99 Recovery		Mar-04 Boom		Mar-09 Recession		Mar-14 Slowdown		Mar-19 Recession	
Apr-99 Recovery		Apr-04 Boom		Apr-09 Recession		Apr-14 Slowdown		<b>Apr-19 Recovery</b>	
May-99 Recovery		May-04 Boom		May-09 Recession		May-14 Slowdown		May-19 Recovery	
Jun-99 Recovery		Jun-04 Boom		<b>Jun-09 Recovery</b>		Jun-14 Slowdown		Jun-19 Recovery	
<b>Jul-99 Boom</b>		Jul-04 Boom		Jul-09 Recovery		Jul-14 Slowdown		Jul-19 Recovery	
Aug-99 Boom		<b>Aug-04 Slowdown</b>		Aug-09 Recovery		Aug-14 Slowdown		<b>Aug-19 Recession</b>	
Sep-99 Boom		Sep-04 Slowdown		Sep-09 Recovery		<b>Sep-14 Recession</b>		Sep-19 Recession	
Oct-99 Boom		Oct-04 Slowdown		Oct-09 Recovery		Oct-14 Recession		Oct-19 Recession	
Nov-99 Boom		Nov-04 Slowdown		<b>Nov-09 Boom</b>		Nov-14 Recession		Nov-19 Recession	
Dec-99 Boom		Dec-04 Slowdown		Dec-09 Boom		Dec-14 Recession		<b>Dec-19 Recovery</b>	
Jan-00 Boom		Jan-05 Slowdown		Jan-10 Boom		Jan-15 Recession		Jan-20 Recovery	

Source: BofA European Equity Quant Strategy



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Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

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