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Chart Book

Powering Up

January 2026
Q4 2025

In 2026, we believe the ‘proud’ bull market will power on into the next era of growth. This can be characterized by more normal returns driven by solid, double-digit earnings growth and a supportive economic backdrop, rather than the ‘stampeding’ bull we experienced from 2023 to 2025.

Four engines expected to fuel this developing growth cycle include:

- an acceleration of capital investment
- a continuation of quantitative easing and the build up of excess liquidity
- a resilient consumer
- a productivity wave centered around the advancement of Artificial Intelligence (AI)

These tailwinds, some of which are already in place, may rev-up more than expected as we move through the year.

We remind investors that volatility, especially during U.S. midterm election years, is normal and part of the investment process. This type of investment backdrop calls for portfolio diversification across and within asset classes with the ability to put dry powder to work during prospective market opportunities. We emphasize the importance of remaining invested, rather than trying to time the market.

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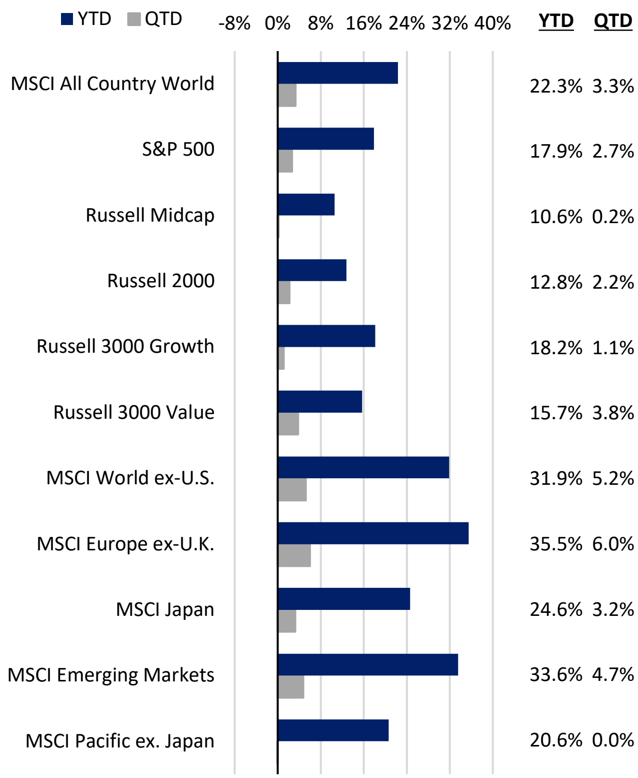
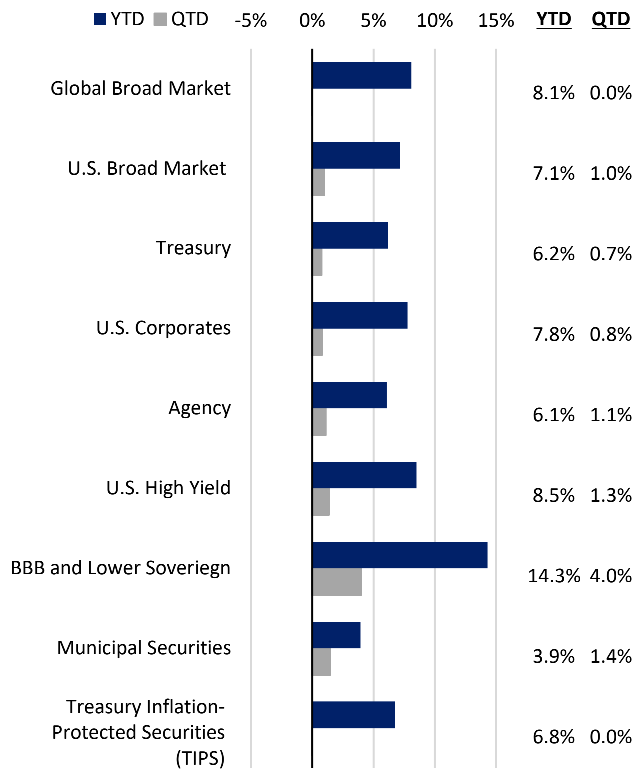
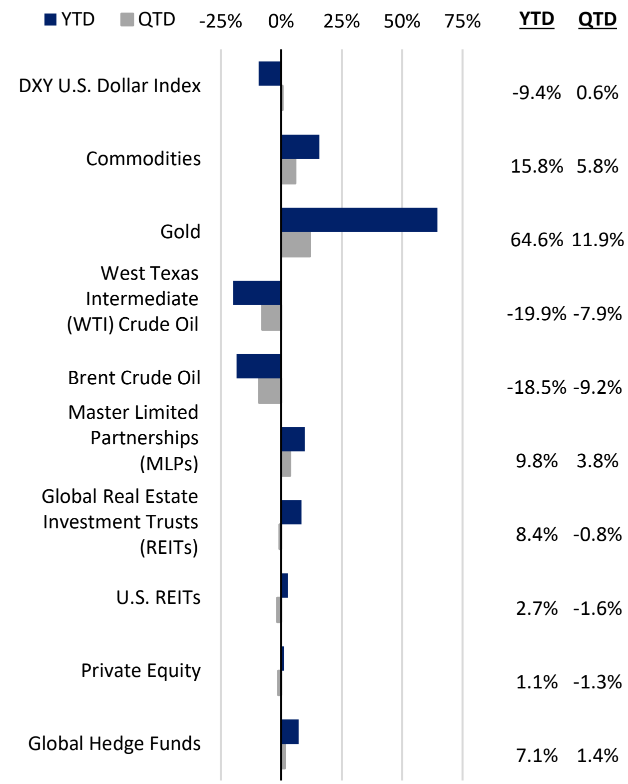
4th Quarter Recap & Major Index Total Returns

- Performance in 2025 reflected shifting fiscal policies, the reordering of global trade, and rapid AI advancements. Looking ahead to 2026, we expect equity markets and the global economy to remain in a transformational phase, with the bull market set to charge ahead. The U.S. remains our preferred region, supported by robust double-digit earnings growth, improving financial conditions, accelerating capital investments, and rising productivity levels driven by the ongoing digital infrastructure buildout.
- In the U.S., Large-caps led Small- and Mid-caps for the year, Growth-oriented Equities surpassed Value, and Global Equities outperformed broadly led by a resurgence in Emerging Markets. Fixed Income saw mid-single digit returns across most sub-asset classes as the Federal Reserve (Fed) reengaged in its interest rate cutting cycle. Commodities advanced in 2025, while Gold had its best year since 1979 amid shifting trade policy.
- BofA Global Research* expects stable global growth of 3.3% in 2026 and 3.4% in 2027, following an estimated 3.4% in 2025. U.S. real gross domestic product (GDP) grew by an estimated 2.0% in 2025 but is projected to grow by 2.4% in 2026 and 2.1% in 2027, with China and the Euro area expected to grow by 4.7% and 1.0% in 2026 and 4.5% and 1.4% in 2027, respectively.







Many products that pursue Alternative Investment strategies, specifically Private Equity and Hedge Funds, are available only to qualified investors. Source: Bloomberg. Data as of December 31, 2025. **FOR INFORMATIONAL PURPOSES ONLY.** Total returns referenced in USD for all indexes, except Brent and WTI Crude Oil where price returns are used and MSCI indexes where net total return is used. All Fixed Income categories are represented by ICE BofA indexes. Other asset classes represented by the following indexes: MLPs (Alerian MLP Index), Commodities (Bloomberg Commodity Index), Gold (Gold Spot Price), U.S. REITs (FTSE EPRA Nareit United States Index), Global REITs (FTSE EPRA Nareit Global Index), Private Equity (LPX 50 USD Index), and Global Hedge Funds (HFRX Global Hedge Fund Index). *BofA Global Research is research produced by BofA Securities, Inc. ("BofAS") and/or one or more of its affiliates. BofAS is a registered broker-dealer, Member SIPC, and wholly owned subsidiary of Bank of America Corporation. **Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

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What Is The Next Move?

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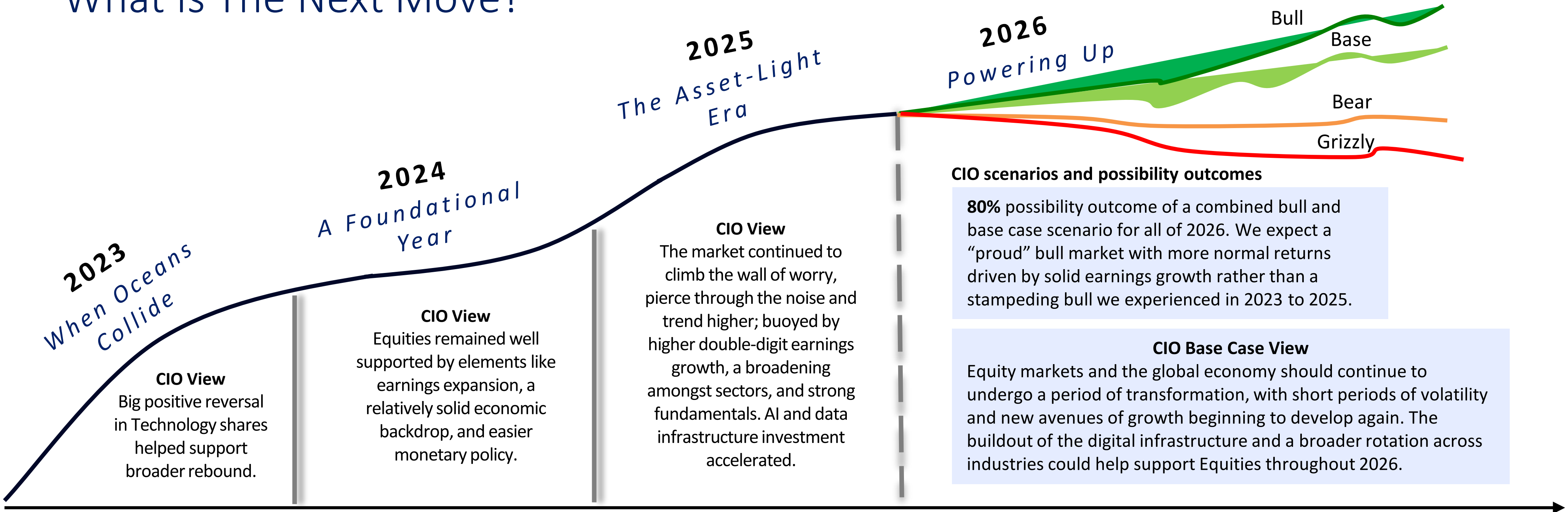


SCENARIO 1 BULL CASE (approximately 25% possibility outcome)

- Tariff revenues largely remain and help drive sizable cut into the deficit.
- Geopolitical tensions ease significantly.
- A new economic re-expansion builds, and growth is well above trend in 2026.
- Financial conditions ease substantially and inflation trends lower in 2026 at the same time.
- Yield curve steepens as yields on the back-end rise as economic growth increases above trend and short rates slip.
- Long-term bull market continues as earnings rise higher-than-expected through 2026.
- AI capital investment (capex) accelerates lifting the Technology sector across the board.
- S&P 500 climbs well above new highs.

SCENARIO 2 BASE CASE (approximately 55% possibility outcome)

- U.S. GDP gathers momentum as fiscal bill impact is felt, and Fed cuts continue.
- One-time price increases do not materialize into an "economy-wide" resurgence in inflation.
- Deregulation and tax relief potentially boost growth outlook above expectations.
- Interest rate cuts continue in 2026 with a flat to slightly down U.S. Dollar.
- Earnings growth for S&P 500 is double digit percentages in 2026.
- The AI wave continues but "leaders" and "laggards" become clearer.
- Broader participation within the Equity markets including non-U.S. stocks and small/mid capitalization shares continues.
- Financials, Utilities, Industrials, Consumer Discretionary and Technology sectors extend their leadership but Healthcare joins.

SCENARIO 3 BEAR CASE (approximately 15% possibility outcome)

- Tariffs add more to inflation than expected.
- Geopolitical tensions re-escalate.
- Stagflation worries build again as growth slumps below trend and inflation remains well above target.
- Expectations for monetary policy are recalibrated, and rate cuts accelerate as job growth slows considerably.
- Earnings begin to decline early in 2026 as a growth slump ensues and AI capex fizzles.
- Unemployment rate rises above 5% as recession risk increases.
- Defensive areas of the market outperform as technology bubble concerns materialize.
- Valuations head lower as the growth shock impacts the premium price to earnings multiple in Equities.

SCENARIO 4 GRIZZLY CASE (approximately 5% possibility outcome)

- Trade wars develop again and stick.
- Geopolitical tensions boil over into broader conflict.
- Sharp economic hard landing, not just deterioration, unfolds.
- Federal Reserve policy requires new emergency measures and aggressive cuts.
- A sharp fall in earnings ensues as spreads widen and AI capex deteriorates.
- Credit stress unfolds in the lower quality credits impacting investor sentiment in the high-quality sector.
- Fixed Income significantly outperforms Equities as risk aversion rises sharply.
- U.S. dollar rallies.
- Defensive assets outperform sharply.
- S&P 500 falls into protracted bear market territory.

— Black line represents the lifecycle of the CIO economic process and is not meant to represent any specific investment, index or performance of any kind. Source: CIO. Data as of December 31, 2025. CIO views are subject to change. **FOR INFORMATIONAL PURPOSES ONLY.** Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance. **Please refer to index definitions and important disclosures at the end of this presentation.**

Chief Investment Office's 7 Core Insights for 2026

Given all the below, we expect more of a proud bull in 2026 that powers on but doesn't stampede too far forward like the past three years. Portfolio diversification should prove its worth in risk management while core growth themes help boost returns. Our CIO portfolios continue to emphasize diversification and growth themes again in 2026 while we keep a keen eye on potential crosscurrents that may emerge.

1

Above-average economic growth expected driven by capital investment, fiscal tailwinds, and baby boomer spending.

2

Non-U.S. economic growth should be solid, namely driven by fiscal spending, global trade, capital investment, and real assets exposure.

3

Equities should trend higher in a "proud bull" manner, driven by double-digit earnings growth for the S&P 500.

4

U.S. equity valuations should remain elevated in 2026 but could be vulnerable to any negative growth shocks.

5

Capital market liquidity and easier financial conditions should be tailwinds in 2026.

6

We expect productivity to head another level higher which should underpin corporate margins.

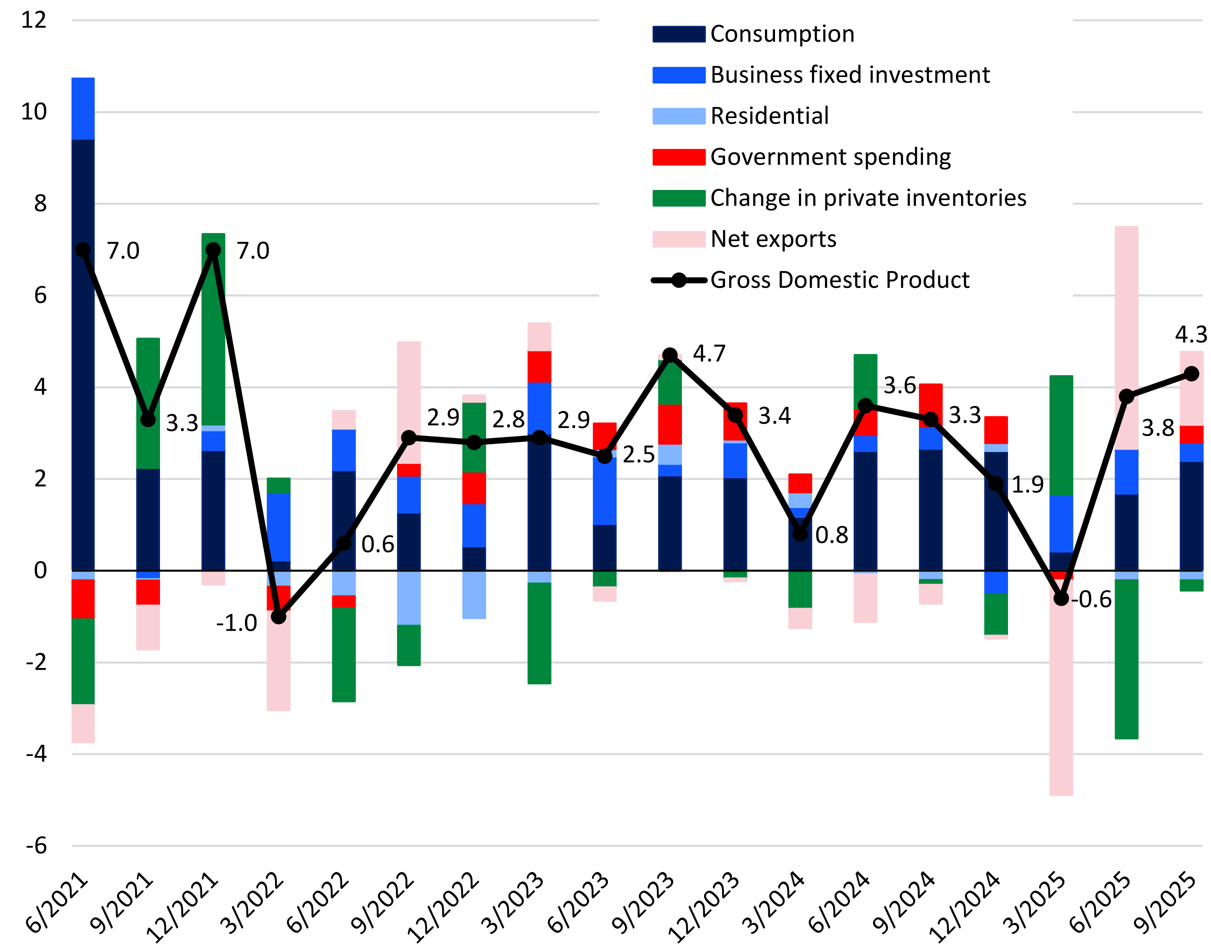
7

The digital infrastructure buildout, global industrialization, power generation, experiential spending, automation/robotics, and biotechnology are all major themes.

Source: Chief Investment Office. GWIM ISC views as of January 6, 2026. CIO views are subject to change. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for iindex definitions and important disclosures.**

A Normalizing Economy

Contributors to Real GDP Growth
Quarter-over-Quarter (QoQ), seasonally adjusted (SA) annualized rate (%)



- The economy expanded by a seasonally adjusted annual growth rate of 4.3% in Q3. Growth was driven by increases in consumer spending, exports, and government spending.
- Consumption accounts for almost 70% of U.S. GDP. In Q3, consumer spending was broad-based, spanning both services and goods. On the other hand, there was a slight moderation in investment. Imports declined but played a smaller role in the overall picture compared to Q2.
- We remain constructive on the U.S. economy due to potential fiscal tailwinds for the consumer and corporation, easier monetary policy, and continued AI-related investment.

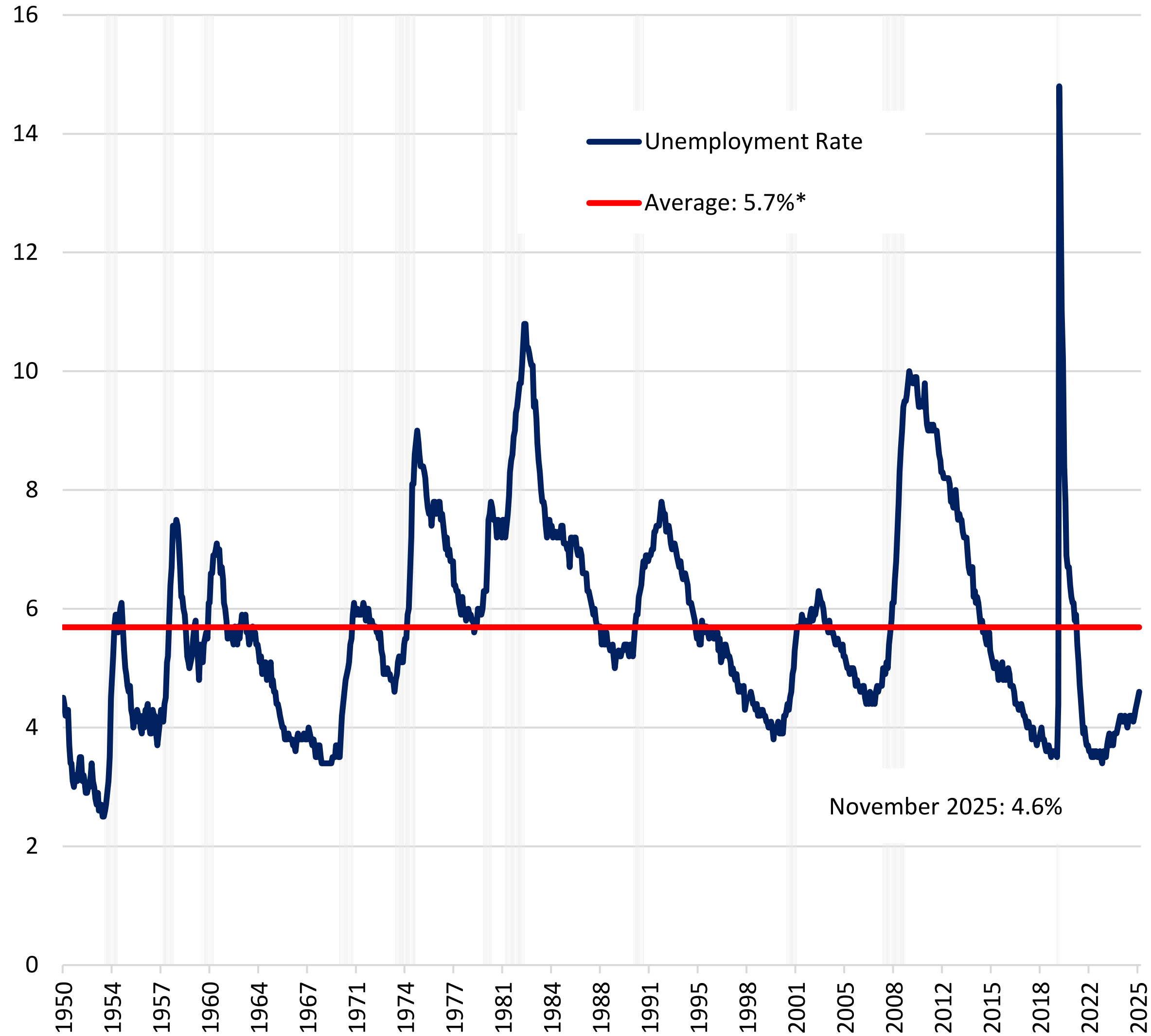
CIO Key Considerations

We remain overweight the U.S. given solid earnings growth, strong balance sheets in aggregate, and relatively healthy consumer fundamentals.

Sources: Bureau of Economic Analysis, Bloomberg. Data through Q3 2025, as of December 23, 2025. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to the appendix for important disclosures.**

The Labor Market: A Static Environment

U.S. Unemployment Rate, seasonally adjusted (SA) (%)



- The U.S. labor market has cooled from its red-hot level following the pandemic. The unemployment rate has slowly been ticking up since mid-2025, reaching 4.6% in November 2025, its highest level since 2021.
- However, since 2021, the unemployment rate has stayed well below its long-term average of 5.7%.
- Amid weaker data, the Fed cut its policy rate by 25 basis points (bps) each in September, October, and December, suggesting support for the employment side of their mandate. For now, the labor market continues to be defined by a low turnover environment.

CIO Key Considerations

Amid evolving labor market dynamics, we continue to view productivity-enhancing AI, robotics and automation as key themes.

Gray areas represent recession periods *Refers to average since 1950. Sources: Bureau of Labor Statistics (BLS), Bloomberg. Data through November 2025, as of December 16, 2025. Latest data available. Note: The BLS did not release an unemployment figure for October 2025. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for important disclosures.**

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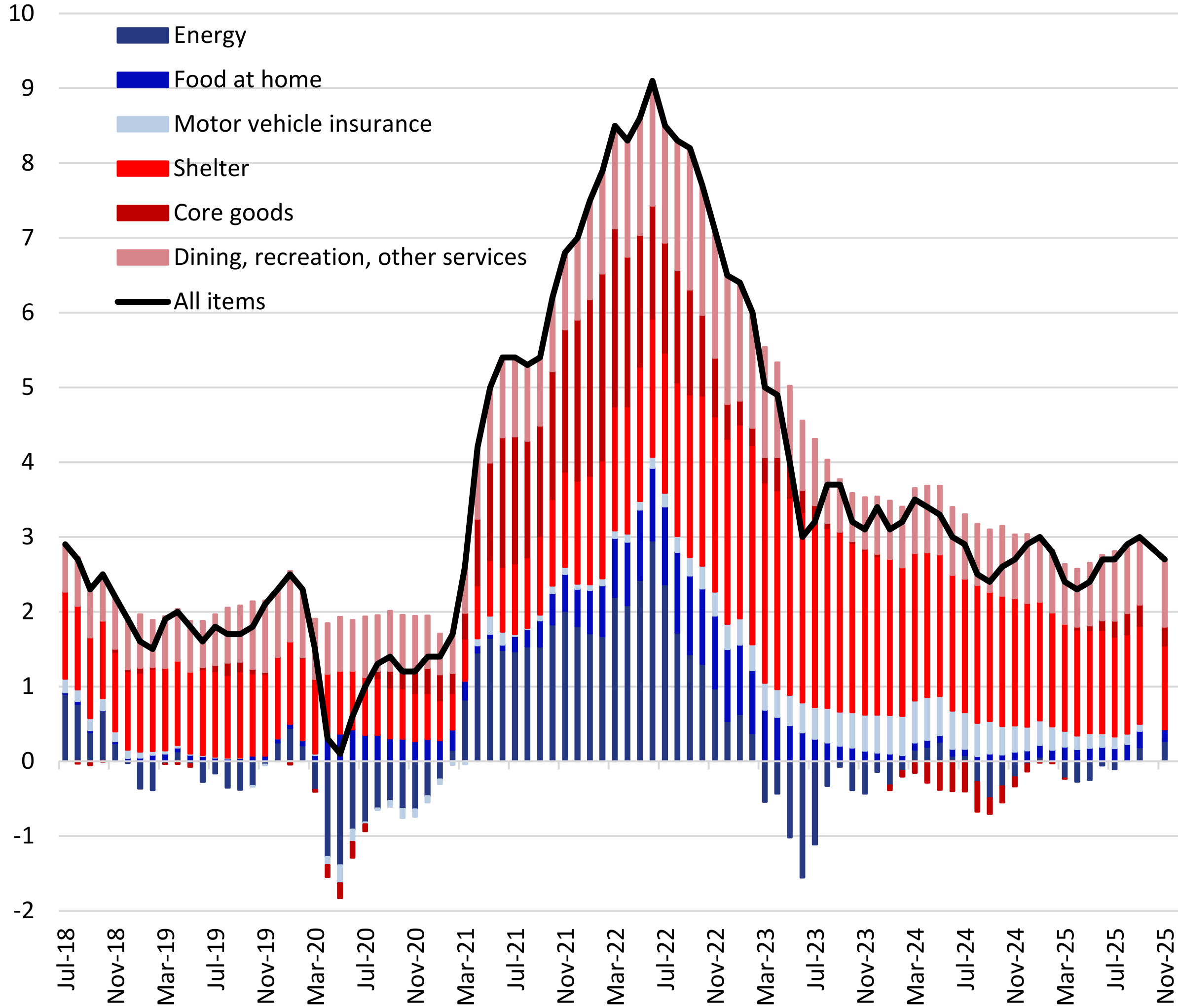
Inflation Remained Sticky in 2025

Contribution to YoY % change in Consumer Price Index (CPI), not seasonally adjusted (NSA)



- Headline CPI inflation has been hovering in the 2% to 3% year-over-year (YoY) range for the last year and a half. In November, the core measure, which excludes volatile components like food and energy, eased to 2.6% YoY, its slowest pace since 2021.
- Prices are still above levels seen pre-pandemic; however, YoY inflation is well below historic highs. Inflationary pressures remained sticky throughout 2025.
- Affordability is likely to remain a theme in 2026. Meanwhile, a recent revival in core goods' contribution to inflation bears watching as tariff policy continues to filter through the economy.

CIO Key Considerations

Well-diversified allocations with special attention to the inflation hedging properties of assets are important for long-term wealth accumulation in this environment.

Sources: Bureau of Labor Statistics (BLS), Bloomberg. Data through November 2025, as of December 18, 2025. Latest data available. Note: The BLS did not collect survey data for October 2025 due to a lapse in appropriations amid the U.S. government shutdown. Additionally, BLS did not provide motor vehicle insurance data for November 2025. **FOR INFORMATIONAL PURPOSES ONLY**. **Please refer to appendix for asset class proxies and important disclosures.**

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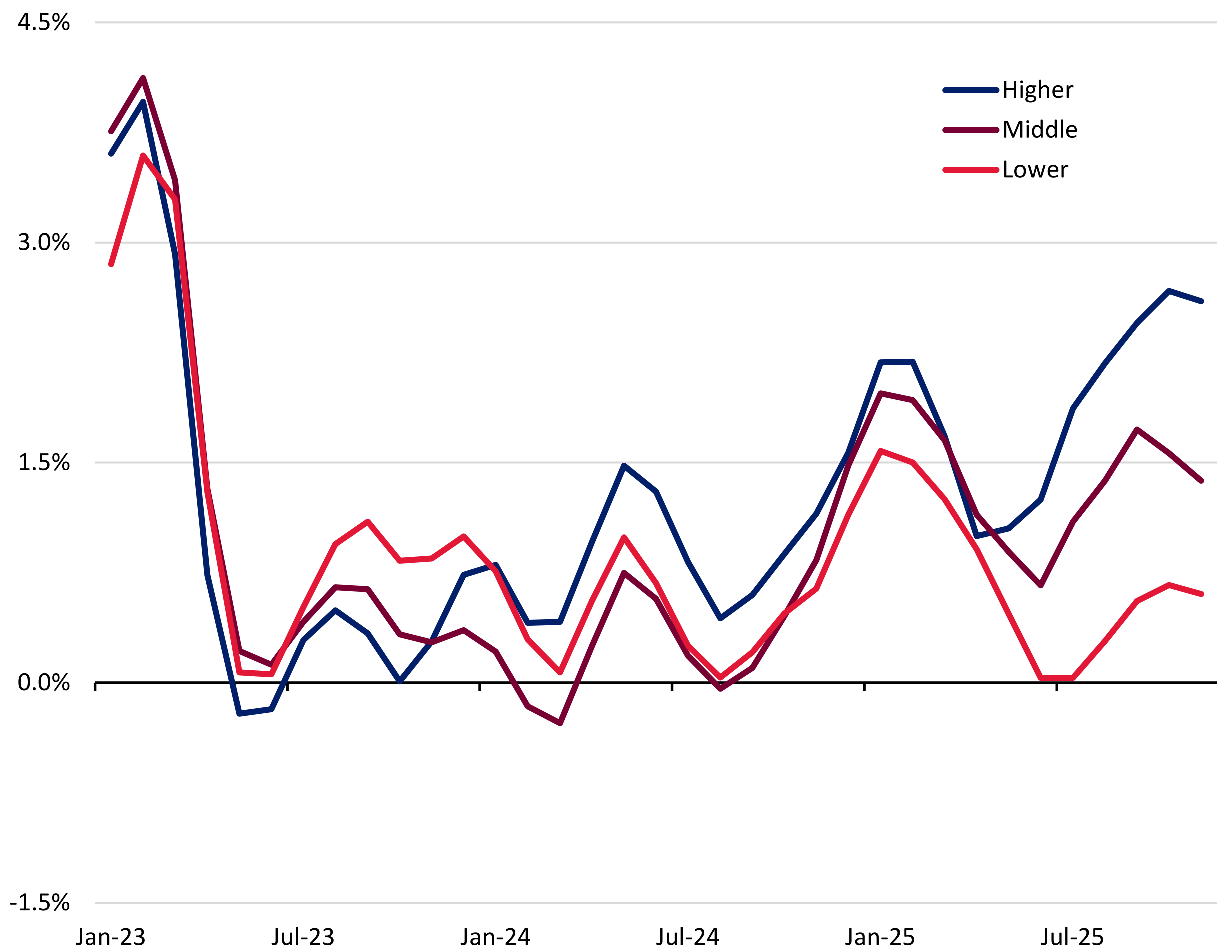
Two-Speed Consumer Remains Resilient in Aggregate

Lower-income households' spending growth was 0.6% YoY in November, compared to 2.6% YoY for higher-income peers
Total credit and debit card spending per household, according to Bank of America card data, by household income terciles (3-month moving average, YoY (%), seasonally adjusted)



- Spending trends in the U.S. continue to reflect large gaps between higher- and lower-income groups. This "K-shaped" pattern was a key theme of consumer spending in 2025.
- One driver of the bifurcation in spending has been faster wage growth among higher-income households.
- Wealth effects have become more significant as retirees with a larger propensity to consume out of wealth comprise a greater share of the U.S. population.

CIO Key Considerations

We expect consumption to remain resilient in aggregate in 2026, enabling solid economic growth.

Sources: Bank of America internal data, Bank of America Institute. Lower, middle and higher household income cuts in Bank of America credit and debit card spending per household, and consumer deposit account data are based on quantitative estimates of each households' income. These quantitative estimates are bucketed according to terciles, with a third of households placed in each tercile periodically. The lowest tercile represents 'lower income', the middle tercile represents 'middle income' and the highest tercile 'higher income'. The income thresholds between these terciles will move over time, reflecting any number of factors that impact income. Data through November 2025, as of December 10, 2025. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for important disclosures.**

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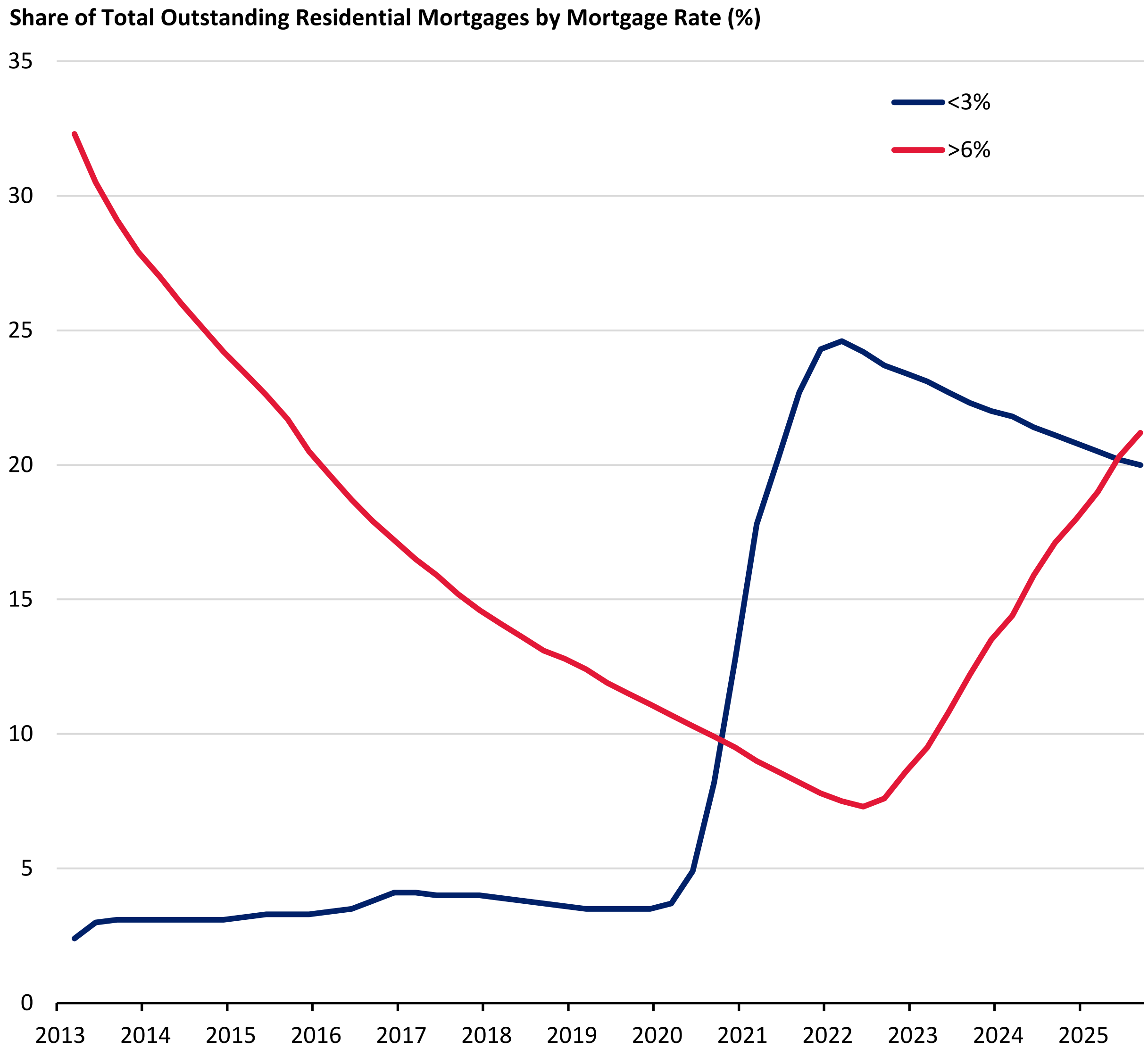
Housing Market Still in Limbo



- While the "lock-in" effect remains, the share of outstanding mortgages with mortgage rates above 6% has steadily risen in recent years as home buyers adjust to higher rates.
- Mortgage rates moderated in 2025 but remain elevated versus historical levels. A more substantial decline from here could boost activity among sidelined buyers.
- The path forward for mortgage rates will likely depend on the size and extent of additional rate cuts and the future of Mortgage-backed Securities (MBS) quantitative tightening, among other factors.

CIO Key Considerations

A meaningful unfreezing of the U.S. housing market will hinge on lower interest rates.

Source: Federal Housing Finance Agency. Data as of December 30, 2025. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for index definitions and important disclosures.**

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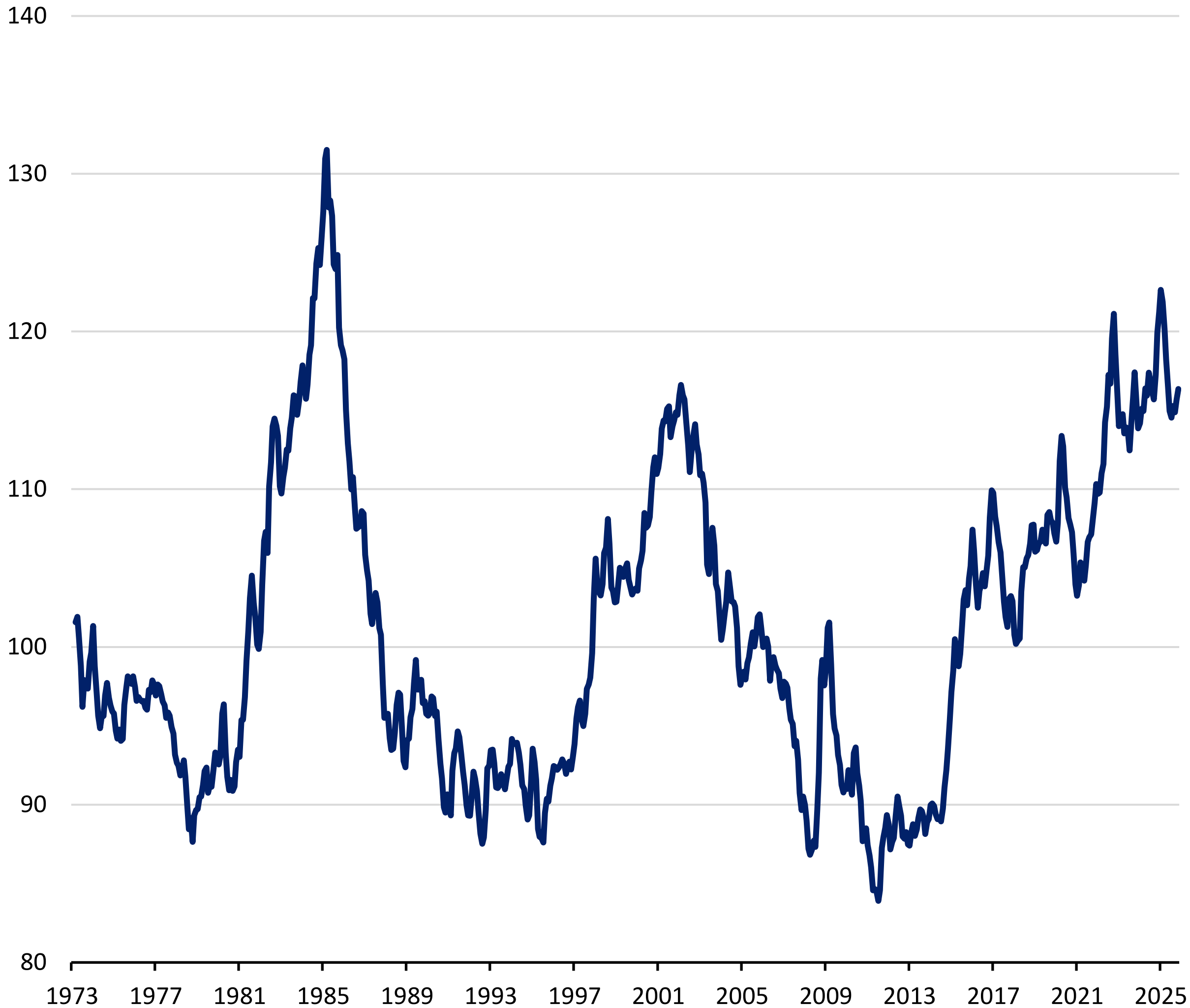
Moderate Dollar Depreciation, Not Outright Debasement

Real Broad Trade-Weighted Dollar Index
January 2006 = 100



- The dollar entered last year at its most overvalued level since 1985 and its intentional devaluation via the "Plaza Accord." The dollar weakened against major currencies in 2025, primarily in the first half of the year.
- A recovery in relative U.S. growth expectations and moderating trade tensions could see the dollar return to favor among global investors.
- Past overvaluation, shifting trade dynamics, narrowing interest rate differentials, and central bank diversification efforts are likely to put moderate but contained downward pressure on the greenback.

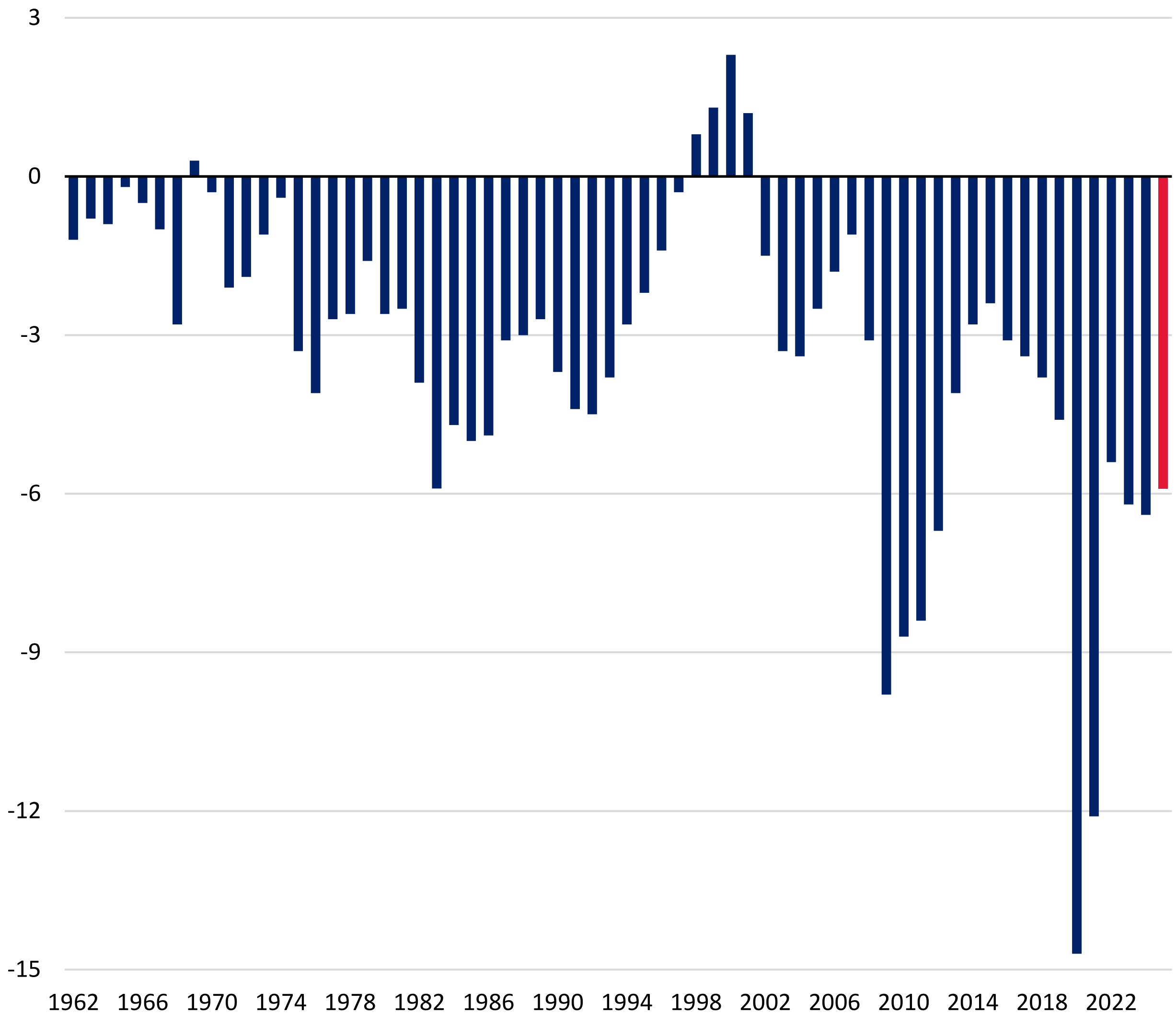
CIO Key Considerations

The U.S. remains the world's largest, wealthiest and most competitive economy, which should continue to drive investment in dollar-denominated U.S. assets.

Sources: Federal Reserve, Haver Analytics. Data as of December 1, 2025. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for index definitions and important disclosures.**

Growth is Key to Managing the U.S. Budget Deficit

U.S. Federal Budget Surplus (+) or Deficit (-) as a Share of GDP (%) by Fiscal Year



- The U.S. federal budget deficit reached $1.8 trillion in fiscal year (FY) 2025 or 5.9% of GDP. The deficit fell from 6.4% of GDP in FY 2024 but was still historically high given an economy at or near full employment.
- Interest payments, defense spending, and mandatory outlays remain structurally higher. Together, these categories made up 73% of outlays in FY 2025.*
- A solid economic backdrop, productivity gains from AI, tariff revenue, and lower interest rates could be tailwinds to government revenue in 2026.

CIO Key Considerations

Healthy demand for U.S. government debt, the dollar's world reserve currency status, and strong economic growth are all reasons not to sweat the federal budget deficit in our view.

Red bar refers to FY 2025. *U.S. Treasury data through September 2025. Source: Congressional Budget Office, U.S. Treasury. Data through fiscal year 2025, as of October 20, 2025. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary and important disclosures.**

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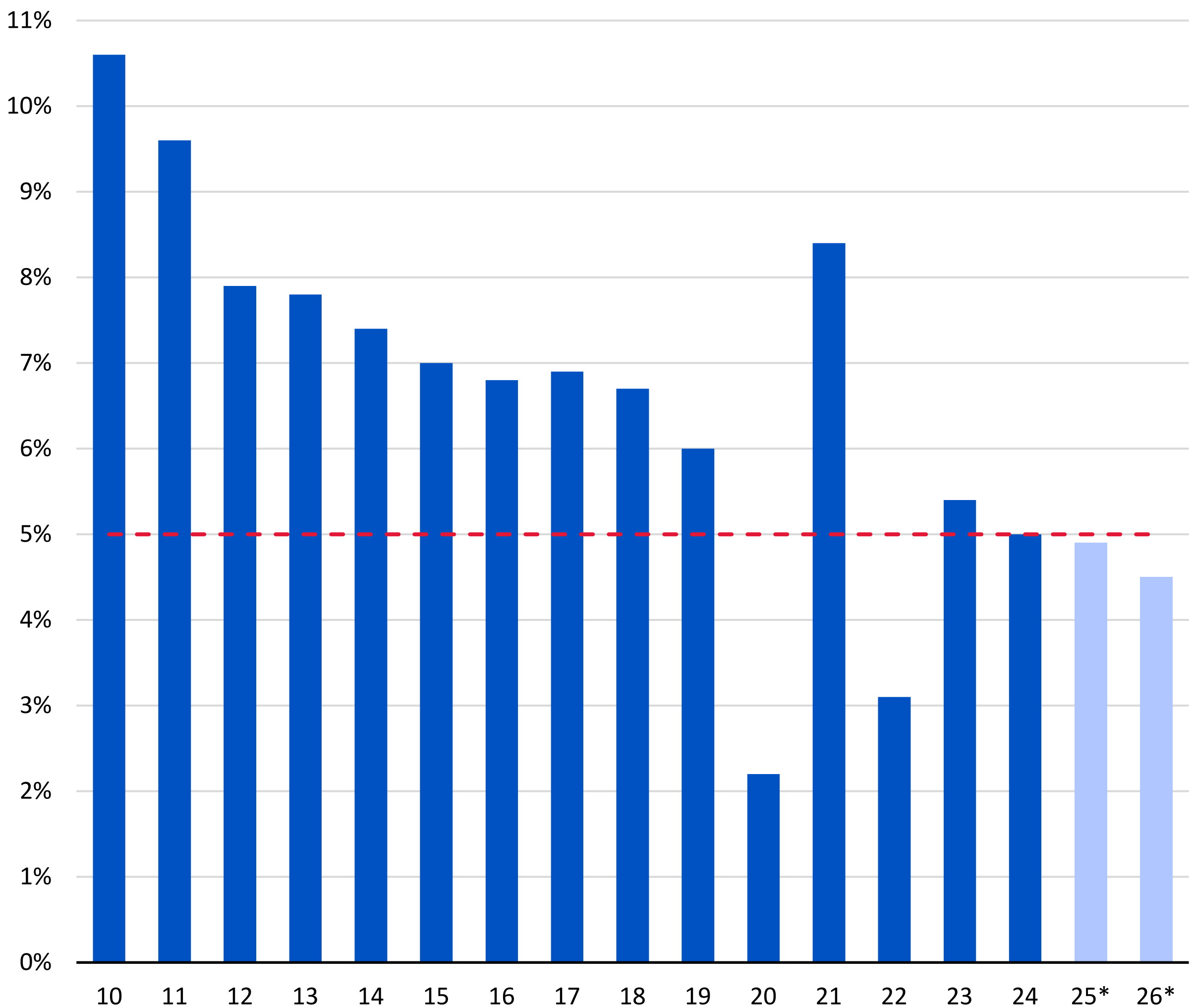
Growth in China Continues to Decelerate Despite Equity Market Recovery

China Real GDP Growth
YoY Rate (%)



- China's equity market outperformed in 2025, along with emerging markets more broadly. Economic growth in China nonetheless continues to decelerate and is expected to fall further to 4.5% in 2026.*
- The traditional real estate investment growth engine remains in structural decline, with property prices still contracting on a YoY basis. This not only represents a persistent drag on fixed investment in China but also on household balance sheets and consumer spending.
- Despite these headwinds, ongoing expansion in the technology sector, elevated precious metals prices and to a lesser extent easier Fed policy are likely to remain supports for equity markets in the emerging world.

CIO Key Considerations

The dominant economy in the emerging world, China, should see further deceleration in activity in 2026, but other tailwinds should continue to support EM equity returns.

Red dotted line refers to China's 5% GDP growth target. *Bloomberg forecasts which reflect consensus estimates across 71 private forecasters. Source: Bloomberg. Data as of 2024. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary and important disclosures.**

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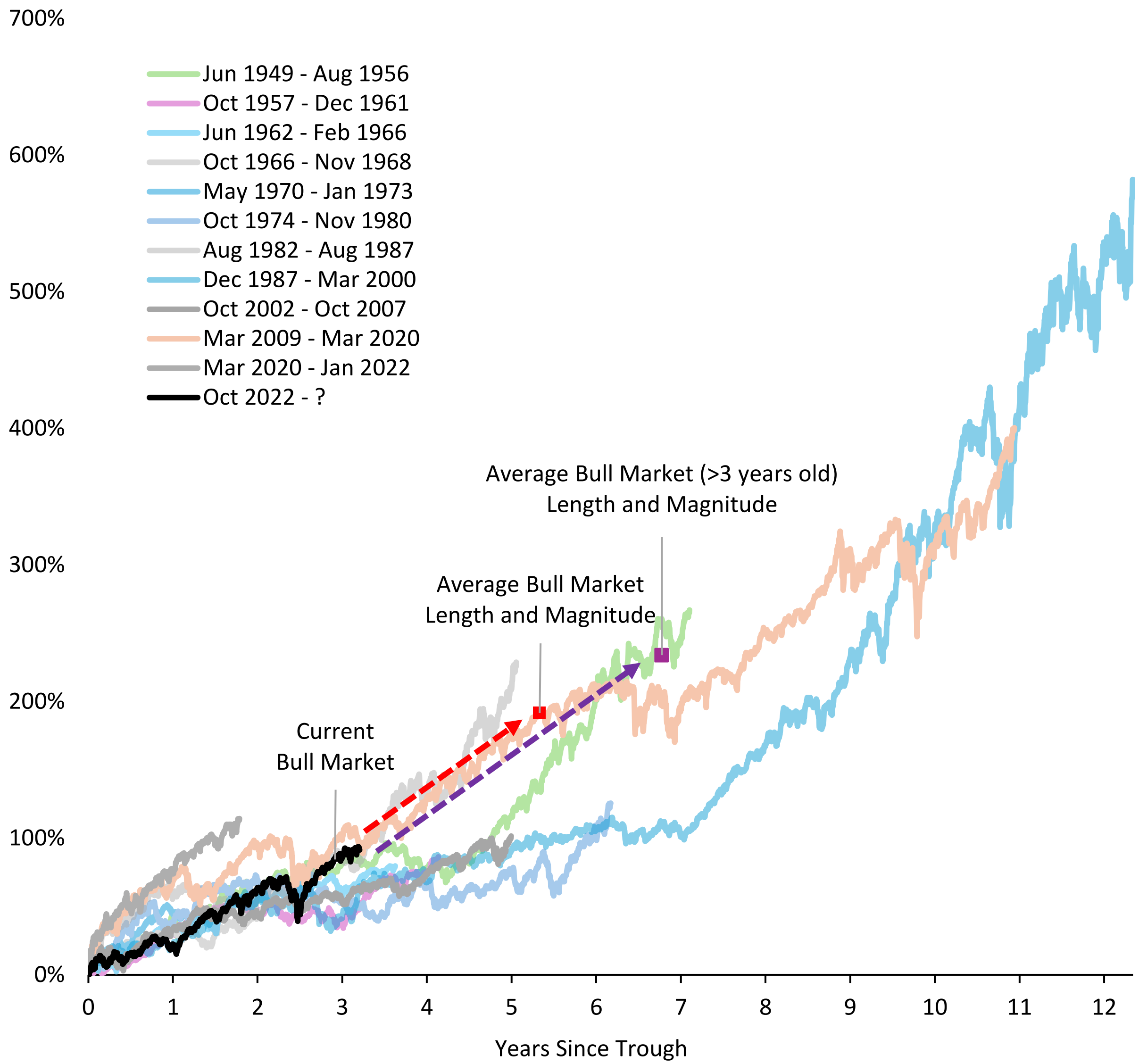
Mapping this Bull Market's Trajectory: How High? How Long?

S&P 500 Cumulative Bull Market Price Return (Trough to Peak)



- The S&P 500 is up around 91% since October 2022, marking a resilient 3-year bull run despite volatility in 2025.
- We see continued upside supported by robust earnings, favorable financial conditions and structural megatrends in AI, automation, infrastructure, power generation, aerospace and defense, biotech and experiential spending.
- Comparing today's rally to 75 years of market history suggests this cycle could have more room to run and last years longer.
- Typical bull markets since 1949 have gained around 192% and lasted 5.5 years on average. Those bull market cycles that lasted beyond 3-years—like today—have historically delivered around 234% over nearly 7 years on average.

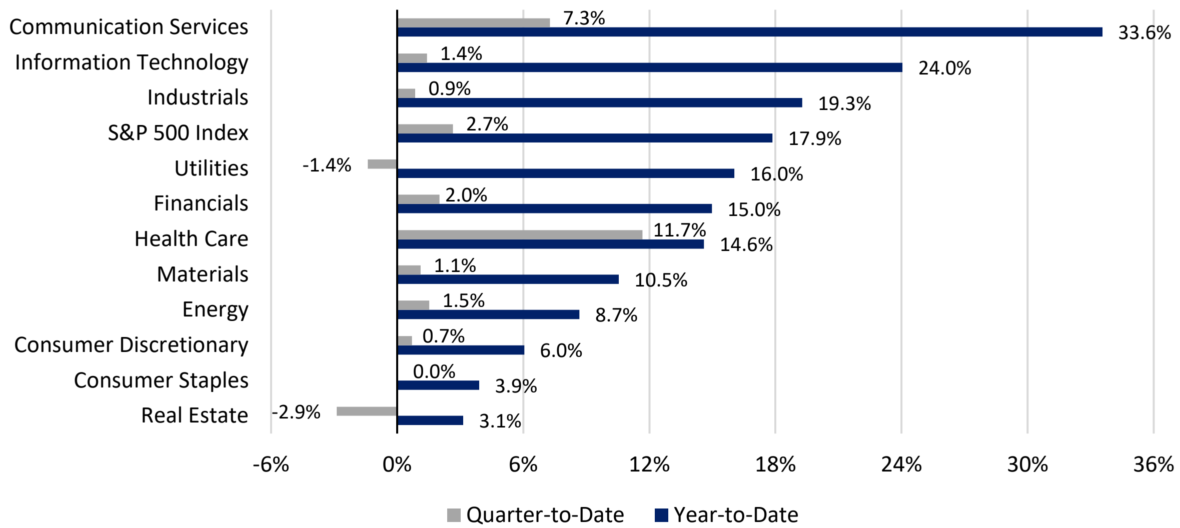
CIO Key Considerations

We believe U.S. Equities remain well positioned for attractive returns over the long term. Given the U.S. market's exposure to transformative growth themes, we maintain an overweight stance and view pullbacks as opportunities to add exposure.

Source: Bloomberg. Data as of December 31, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Past performance is no guarantee of future results. It is not possible to invest directly in an index. Please refer to appendix for index definitions and important disclosures.**

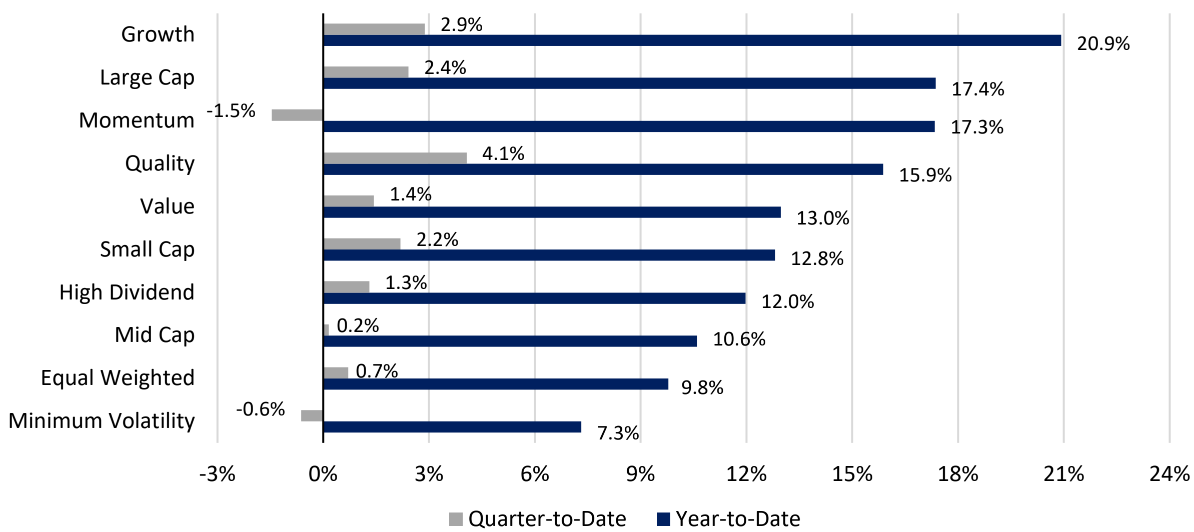
Sector and Factor Performance Barometer

Performance by S&P 500 Index Sector



- Despite pockets of weakness in Q4, all S&P 500 sectors ended the year on a high note, bolstered by broader market participation and a resilient corporate profit cycle.
- In 2026, we anticipate fiscal stimulus, accommodative monetary policy, expanding capital expenditures, and a continuation of corporate earnings strength to propel the bull market.
- Investors can capitalize on current market dynamics while maintaining diversification across styles, regions, cyclical, and interest-rate sensitive sectors.

Performance by Factor



CIO Key Considerations

Maintaining a balanced, diversified portfolio with exposure across cyclical industries, rate-sensitive and growth sectors remains a key priority during periods of heightened market volatility.

Source: Bloomberg. Data as of December 31, 2025. Total returns referenced. Large-cap, Mid-cap, and Small-cap are represented by Russell Indexes. Equal Weighted, Value, Growth, Quality, High Dividend, Minimum Volatility and Momentum are represented by MSCI USA Indexes. **FOR INFORMATIONAL PURPOSES ONLY. Past performance is no guarantee of future results. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Please refer to appendix for index definitions and important disclosures.**

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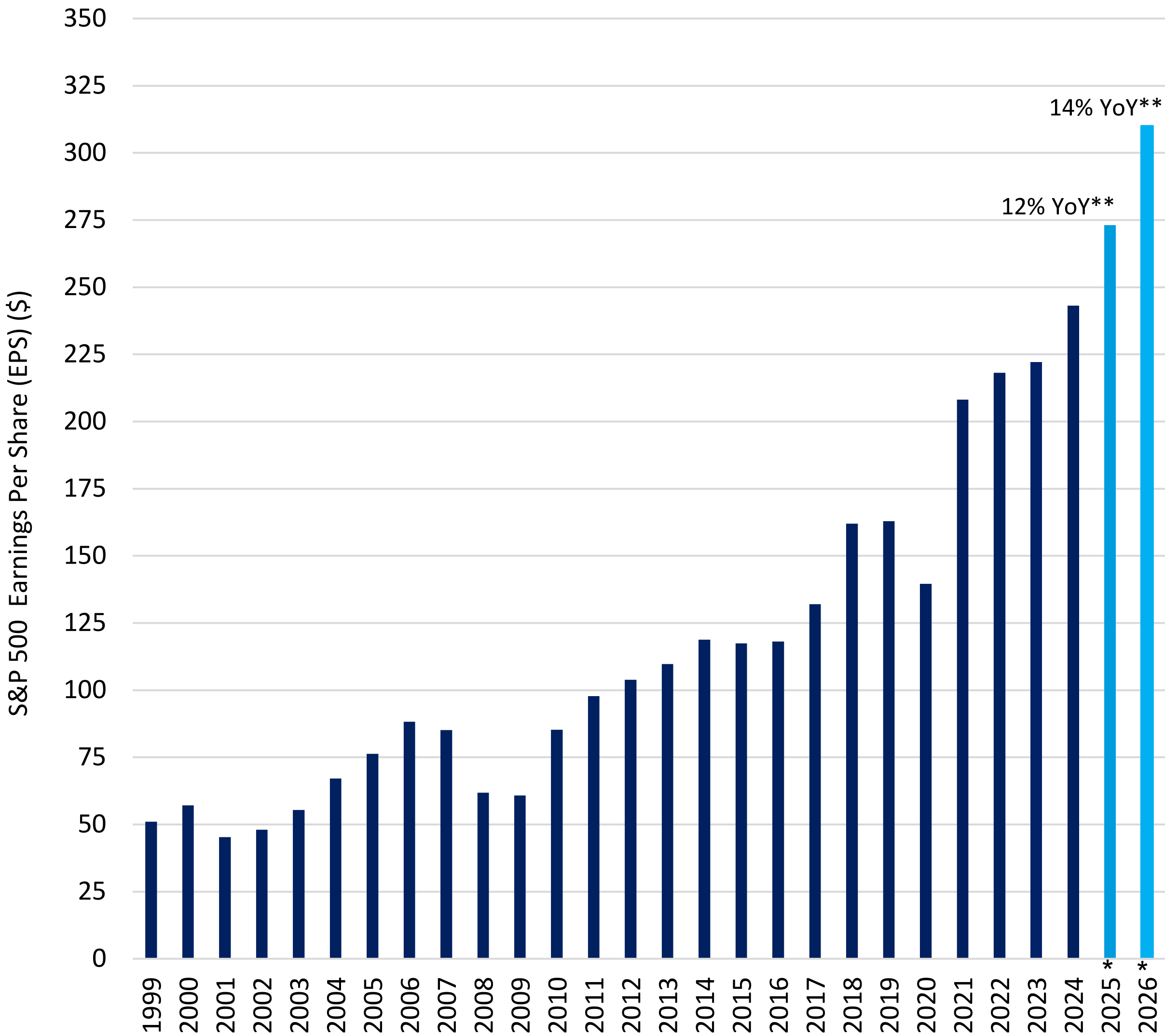
U.S. Earnings Growth Remains a Major Pillar for Our Outlook



- Powering earnings growth in the U.S. has been a transition from a government spending-led expansion to one driven more by the private sector. A feature of this profits expansion has been its consistent outperformance versus expectations.
- We anticipate back-to-back years of double-digit earnings growth. In 2026, capital investment, resilient consumption driven by baby boomer spending, fiscal tailwinds, and productivity spurred by the ongoing innovation cycle should be supportive.
- Profits growth is likely to spread beyond just Technology, with all sectors expected to post positive earnings growth, implying a healthier foundation in 2026.

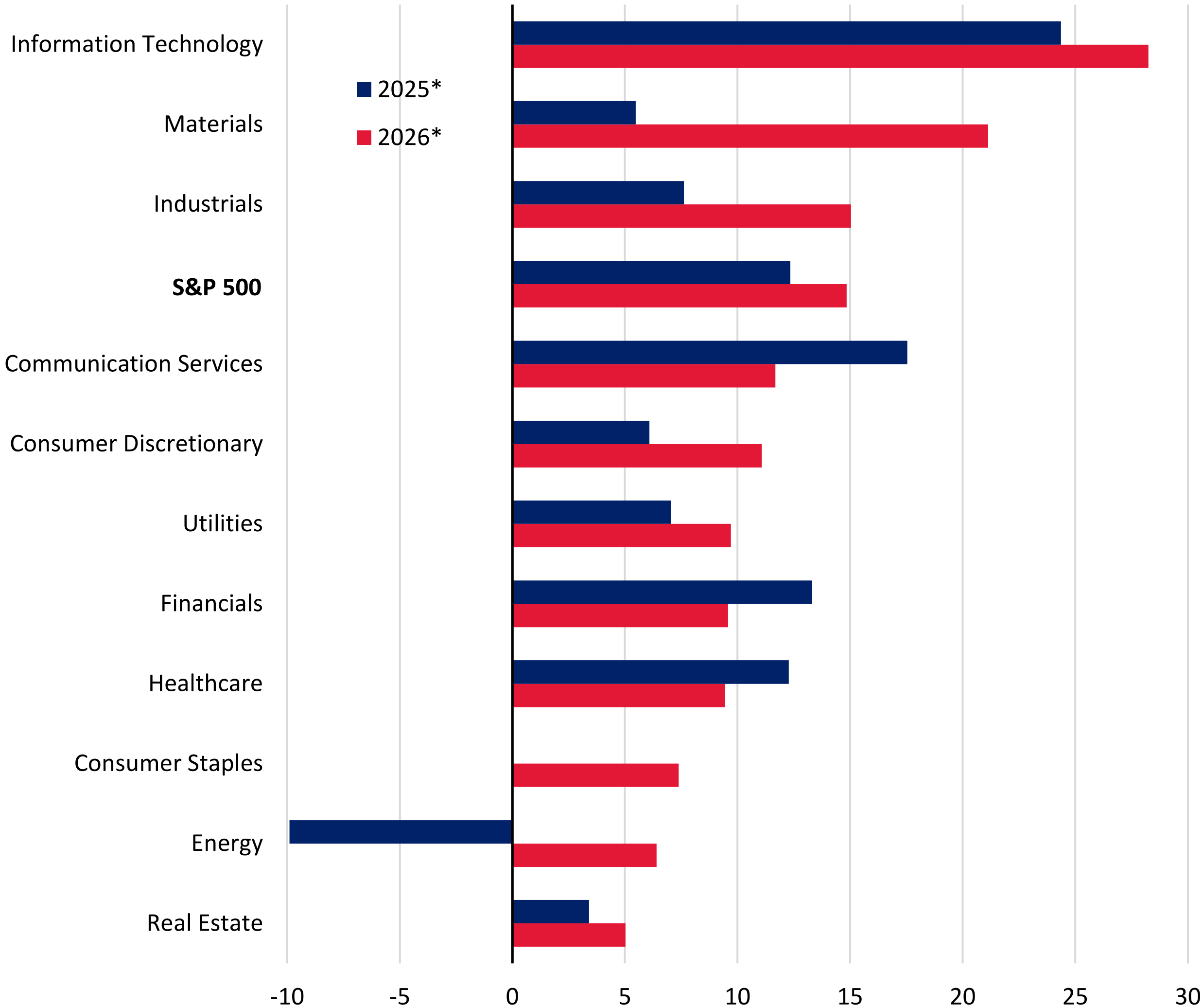
CIO Key Considerations

Our constructive fundamental outlook is a key pillar within our overweight to U.S. Equities. We favor growth themes but are also inclined to broaden equity exposure.

*Estimate. **Year-over-year earnings per share growth estimate. Source: BofA Global Research. Data as of December 31, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, index definitions and important disclosures.**

Broadly Positive Fundamentals Expected in 2026

S&P 500 EPS Growth by Sector
YoY Growth (%)



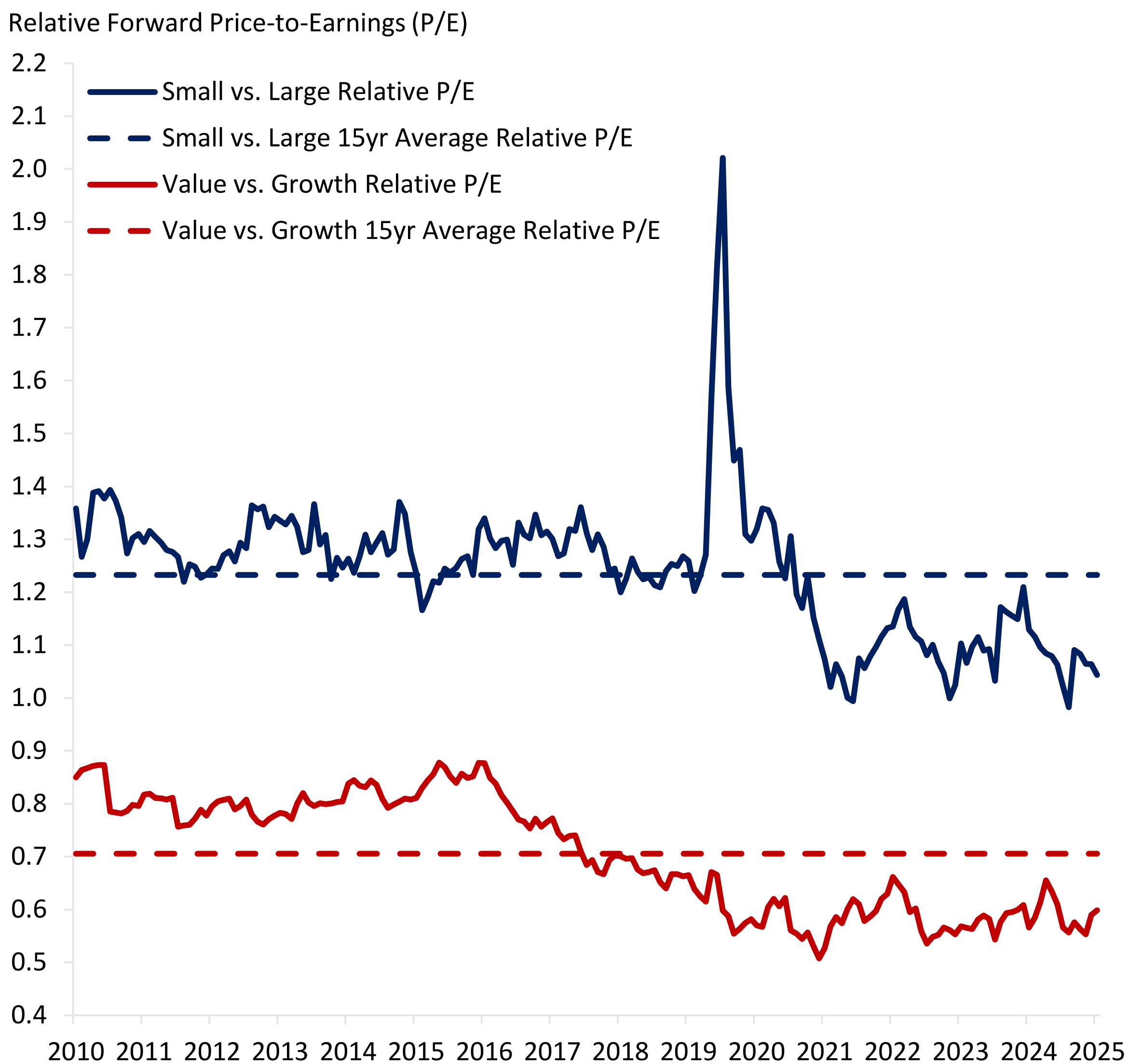
- S&P 500 EPS growth registered at 14% YoY in Q3 2025, marking the index's fourth straight quarter of double-digit growth. Profit margins continued to rise in 2025 despite tariff uncertainty.
- Under the index level, the five largest stocks contributed 41% of S&P 500 earnings per share (EPS) growth in Q3 2025. Earnings growth is positioned to be less concentrated in 2026 with double-digit growth expected in five of 11 sectors.
- Tax cuts and incentives related to new equipment and research and development in the One Big Beautiful Bill Act (OBBBA) should help bolster corporate profits this year.

CIO Key Considerations

We expect solid corporate earnings to be the primary driver of U.S. Equity returns in 2026 rather than multiple expansion.

*Estimate. Source: FactSet. Data as of January 2, 2026. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, index definitions and important disclosures.**

Maintain a Balanced Approach in 2026



- While absolute valuations across U.S. Equities are generally elevated, relative discounts can be found in areas like Small-cap and Value.
- These valuation differentials underscore the importance of maintaining exposure to both Large-caps and Small-caps, as well as Value and Growth, in long-term portfolios.
- Diversification across and within Equities will be imperative in 2026. That means maintaining a balance between playing offense, capturing potential market opportunities, and defense, reinforcing stability, in portfolios.

CIO Key Considerations

We continue to emphasize the importance of maintaining well-diversified Equity exposure in portfolios.

Source: Bloomberg. Data as of December 31, 2025. Monthly forward price-to-earnings ratios referenced. Small-caps = Russell 2000 Index. Large-caps = Russell 1000 Index. Growth = Russell 1000 Growth Index. Value = Russell 1000 Value Index. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for asset class proxies, index definitions and important disclosures.**

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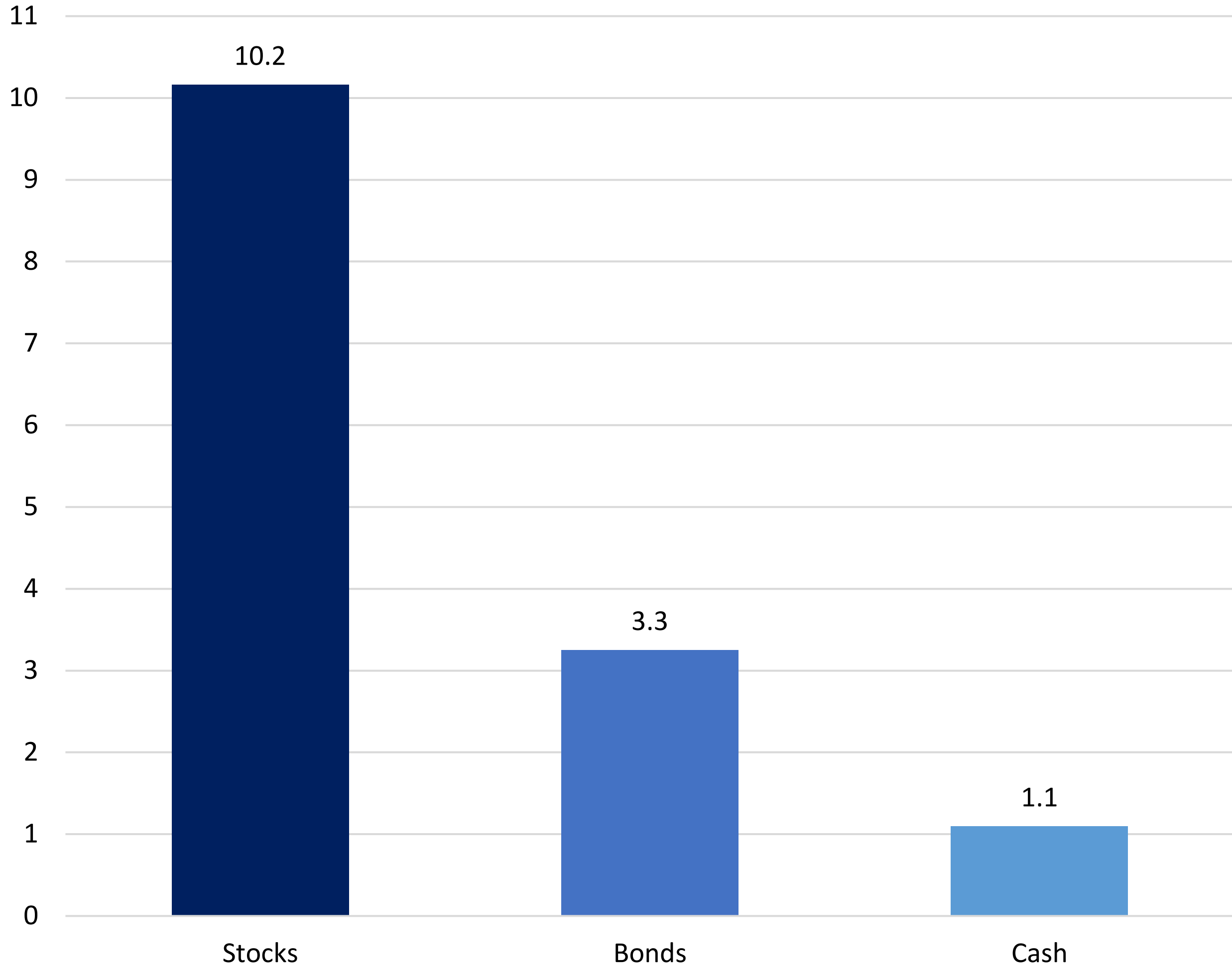
Stocks Lead the Way: Real Returns After Inflation

Average Annual Total Returns After Average Annual Inflation (%)
1978 - 2025*



- Since 1978, Equities have delivered annual total returns that have far exceeded the rate of inflation, on average.
- Bonds have also provided moderate returns after inflation, on average, while offering income and stability in portfolios.
- Meanwhile, cash has barely kept up with rising prices over the long-term. While it's essential that investors maintain appropriate levels of cash in portfolios, it shouldn't be viewed as a long-term investment.

CIO Key Considerations

On average, Equities have historically generated relatively attractive returns after inflation. We maintain an Equity overweight in 2026.

Source: Bloomberg. Data as of December 31, 2025. *2025 average annual inflation calculated using inflation data through November 30, 2025. Latest data available. Stocks = S&P 500 Index. Bonds = Bloomberg U.S. Aggregate Bond Index. Cash = ICE BofA U.S. 3-Month Treasury Bill Index. Annual total returns after average annual YoY U.S. CPI referenced for inflation. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

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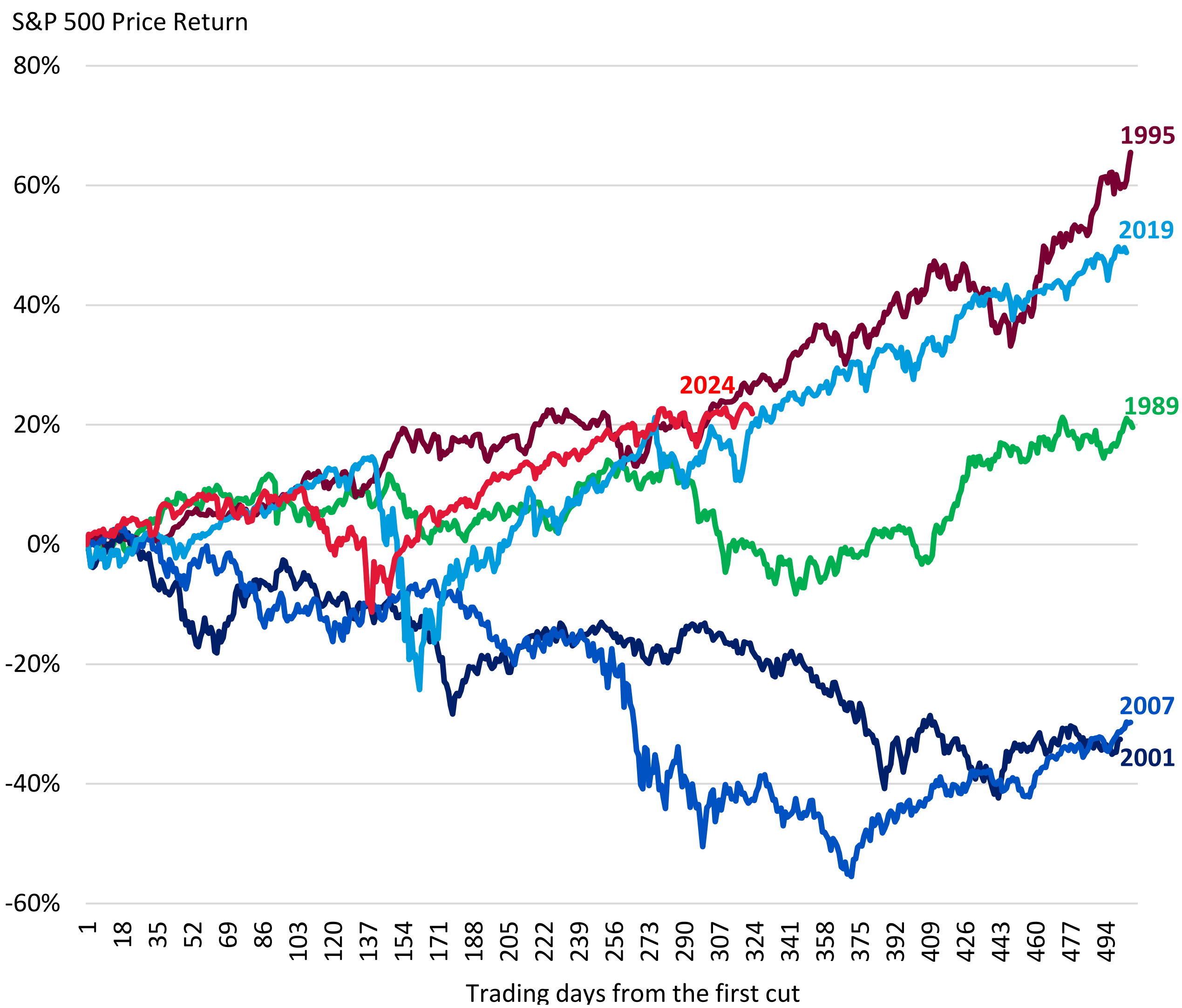
What Happens When the Fed Cuts?



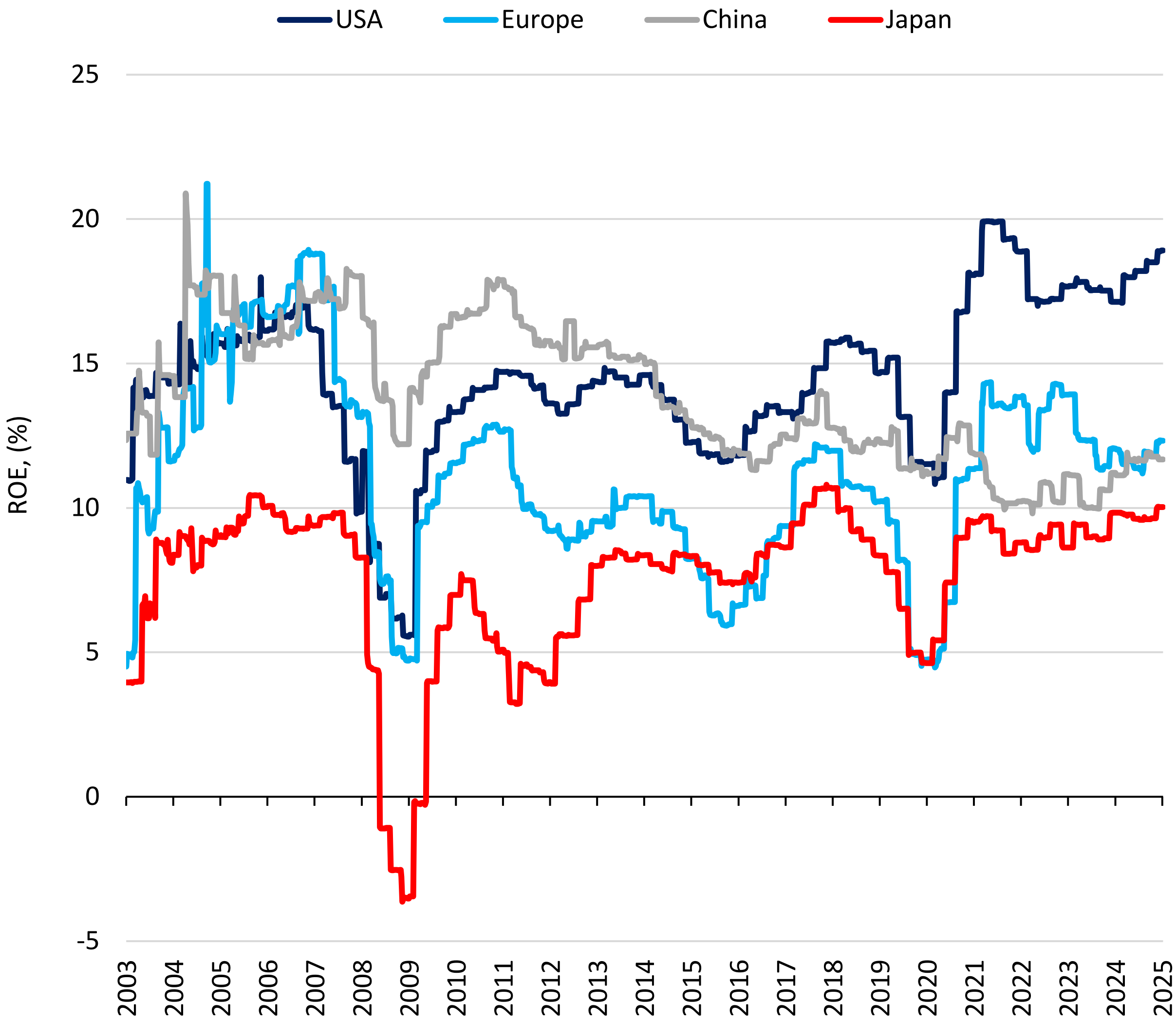
- The Fed resumed its 2024 interest rate cutting cycle by delivering three additional 25 bps cuts in 2025. Monetary policy is expected to ease further in 2026.
- History suggests that S&P 500 returns during Fed easing cycles can depend heavily on the macroeconomic backdrop. Cycles without a recession have generally provided a more supportive environment for Equities.
- In 2025, interest rate cuts occurred when the S&P 500 was hovering near all-time highs. When the Fed has cut interest rates within 2% of an all-time high since 1990, the S&P 500 has returned an average of 11.2% one year later.*

CIO Key Considerations

Fed interest rate cuts have historically had varied outcomes for Equities, with strong returns observed when cuts are not accompanied by a recession.

*As of December 31, 2025. Source: Bloomberg. Data as of December 31, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

A Dominance of Innovative Industries Returns More to U.S. Investors



- In the U.S., the leadership of innovative corporate sectors, such as Technology, has helped provide superior return-on-equity (ROE) relative to other regions.
- Across the economy, the diffusion of artificial intelligence and related innovations may serve to further boost productivity, sustaining margins, ROE, and valuations overall.
- We believe this long-term trend is global in nature. ROE may also be supported by a nearer-term resilience in global economic growth.

CIO Key Considerations

While we favor the U.S., we also emphasize disciplined diversification. This includes maintaining appropriate exposure to International Developed and Emerging Market Equities.

Source: Chief Investment Office, Bloomberg. Data as of December 31, 2025. MSCI Indexes referenced. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

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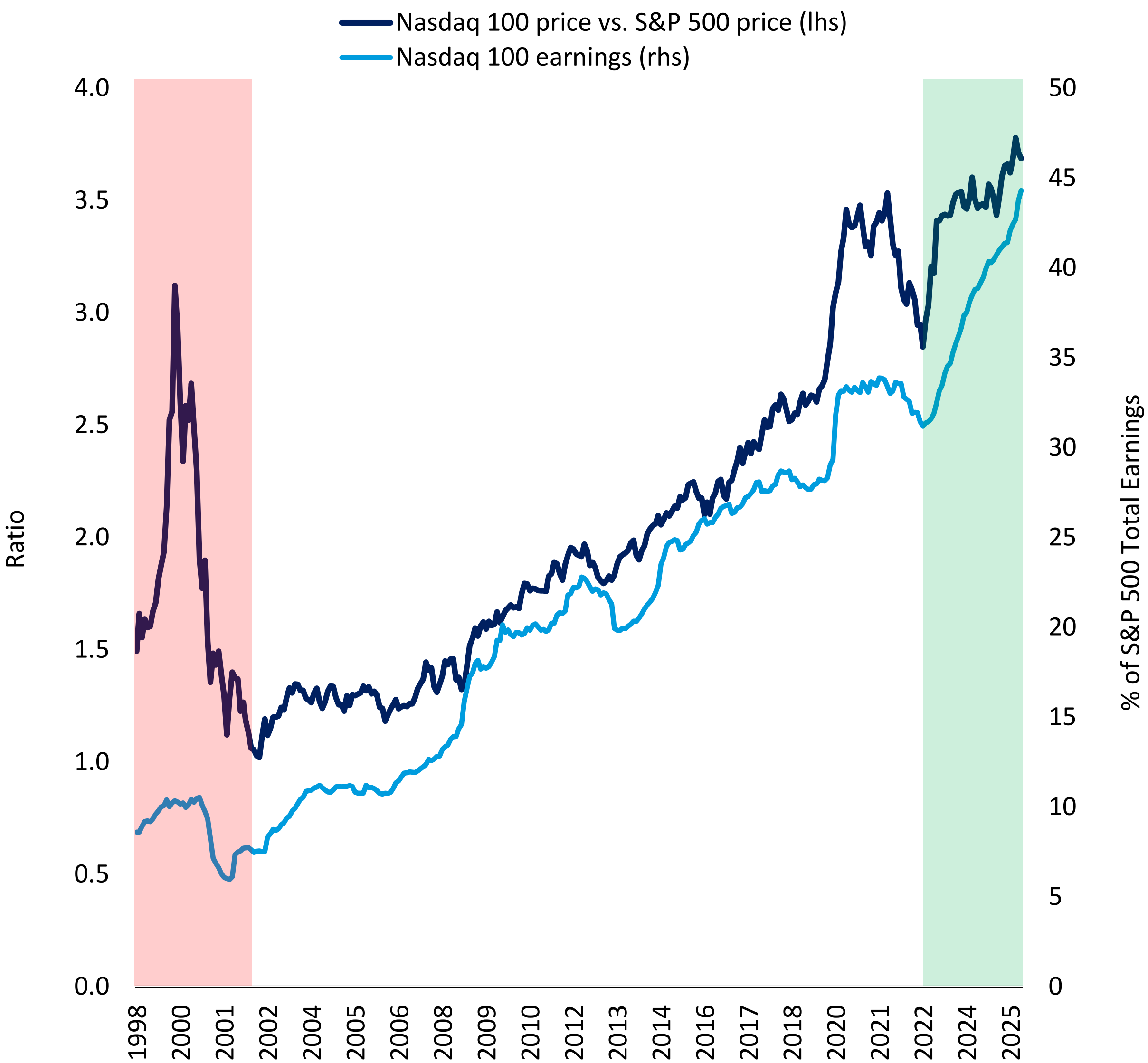
A "Dot-Com" Comparison: Amid Similarities, Key Differences Today



- Widely discussed have been similarities between recent market conditions and those during a prior period of excessive speculation–the Dot-com Era. Yet we see important differences.
- Back then, innovation-focused Equities appreciated well beyond the segment's earnings-generating capacity (shaded red), unlike today (shaded green). The Technology sector is currently one of the leaders of earnings growth for the S&P 500.
- From a valuation perspective, back then, the technology-heavy Nasdaq Composite P/E ratio fluctuated to above 90x. In 2025, its average stood at roughly 27x.

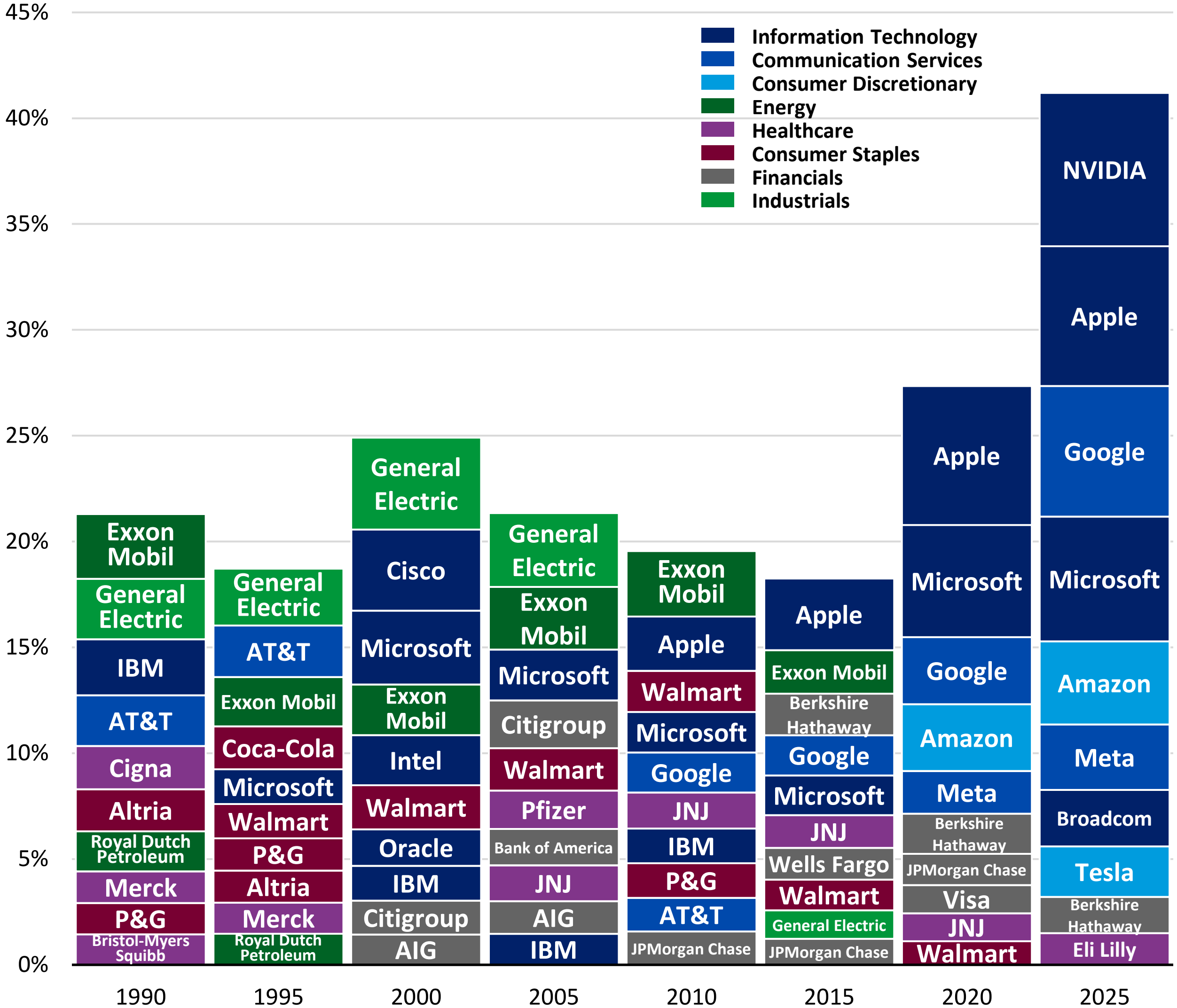
CIO Key Considerations

We believe we are in a multiyear super cycle driven over the longer term by strong productivity gains from AI. Maintaining a high level of diversification during this buildout phase remains prudent.

Source: BofA Global Research. Data as of December 31, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for index definitions.**

Taking Stock of Historical Market Leadership

Top 10 Companies as a Percent of Total S&P 500 Market Cap



- The composition of leaders within the S&P 500 differs substantially from decades prior.
- Sector-wise, Technology makes up nearly 35% of the S&P 500. This share hovers near highs reached in 2000.*
- Concentration remains a reality of today's leadership, with the three largest companies in the S&P 500 accounting for roughly one-fifth of the overall index.*

CIO Key Considerations

Diversification helps investors protect against overexposure to one area of the market and mitigates portfolio concentration.

*As of December 31, 2025. Source: Bloomberg. Data as of December 31, 2025. **Any reference to a specific company or security does not constitute a recommendation to buy, sell, hold or directly invest in the company or its securities.** Note: Global Industry Classification Standard (GICS) classification as of 2025 adopted for sector grouping. Annual data reflects market capitalization by calendar year. 2025 market cap as of December 31, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Past performance is no guarantee of future results. Please refer to appendix for index definitions and important disclosures.**

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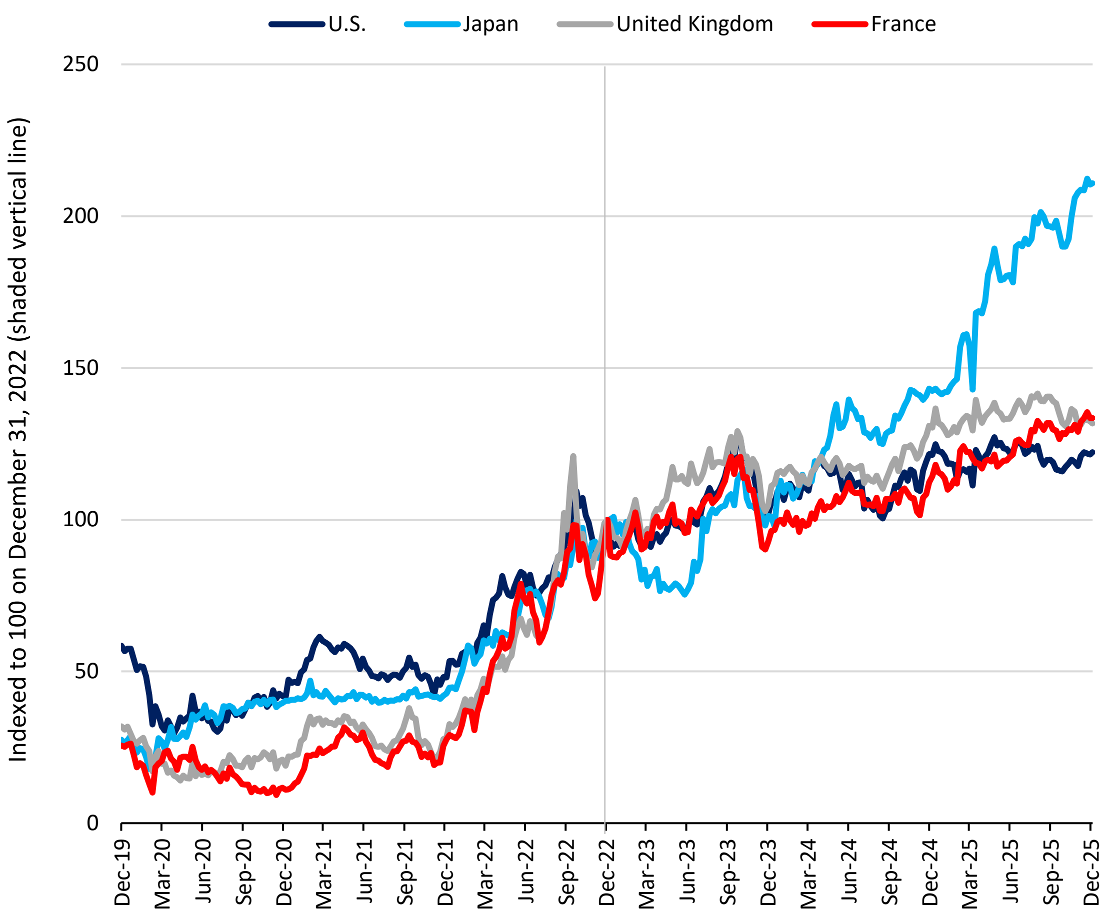
Risk Monitor: Stickier, Higher Long-Term Global Interest Rates

Long-term rates have generally increased since 2022 and remain elevated even as the pace of inflation has eased. While greater global demand for investment may be a factor, greater fiscal uncertainty may be in play. After all, global sovereign debt currently sits at a record $105.8 trillion or some 46% higher than at the start of this decade.* Gross public debt as a share of GDP in advanced economies now stands at 111%, close to an all-time high.*

The Risk: Rising 30-year Sovereign Yields May Reflect Growing Fiscal Concerns.



Equity Watch List

- Fiscal and monetary policy outlook
- Dollar movement and exposure to non-U.S. regions
- Pace of AI investment and competition
- U.S. Supreme Court decision on legality of tariffs under the IEEPA**
- Progression of earnings estimates
- Trajectory of global manufacturing

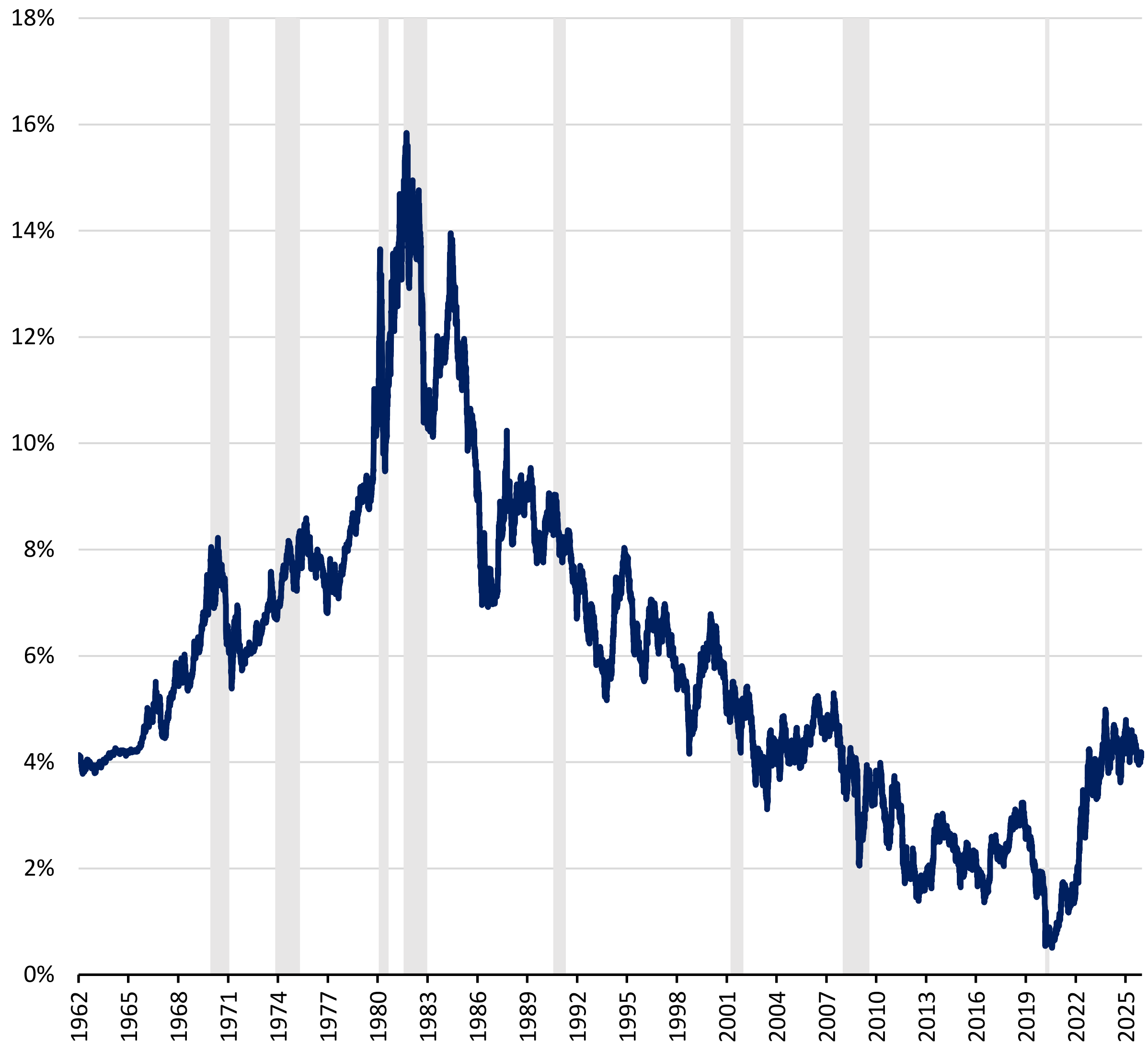
Risk Considerations

- Softer-than-expected labor market and slower economic growth
- Potential for a pullback in high-income consumer spending
- AI momentum shift due to an earnings miss, supply shock, or tighter credit conditions
- Global fiscal concerns, as well as sticky inflation and its potential impact on the Fed's easing cycle
- Geopolitical uncertainty and heightened global protectionism measures

*Q3 2025 figures from the Institute of International Finance, as of December 9, 2025. Latest data available. Source: Bloomberg. Data as of December 31, 2025. Right Tables Sources: Chief Investment Office. **International Emergency Economic Powers Act. **FOR INFORMATIONAL PURPOSES ONLY.** Views and opinions expressed are for informational purposes only, are made as of the date of this material, and are subject to change without notice. **Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures. Past performance is no guarantee of future results.**

Elevated U.S. Treasury Yields Remain Reasonably Attractive

10-year U.S. Treasury Yield



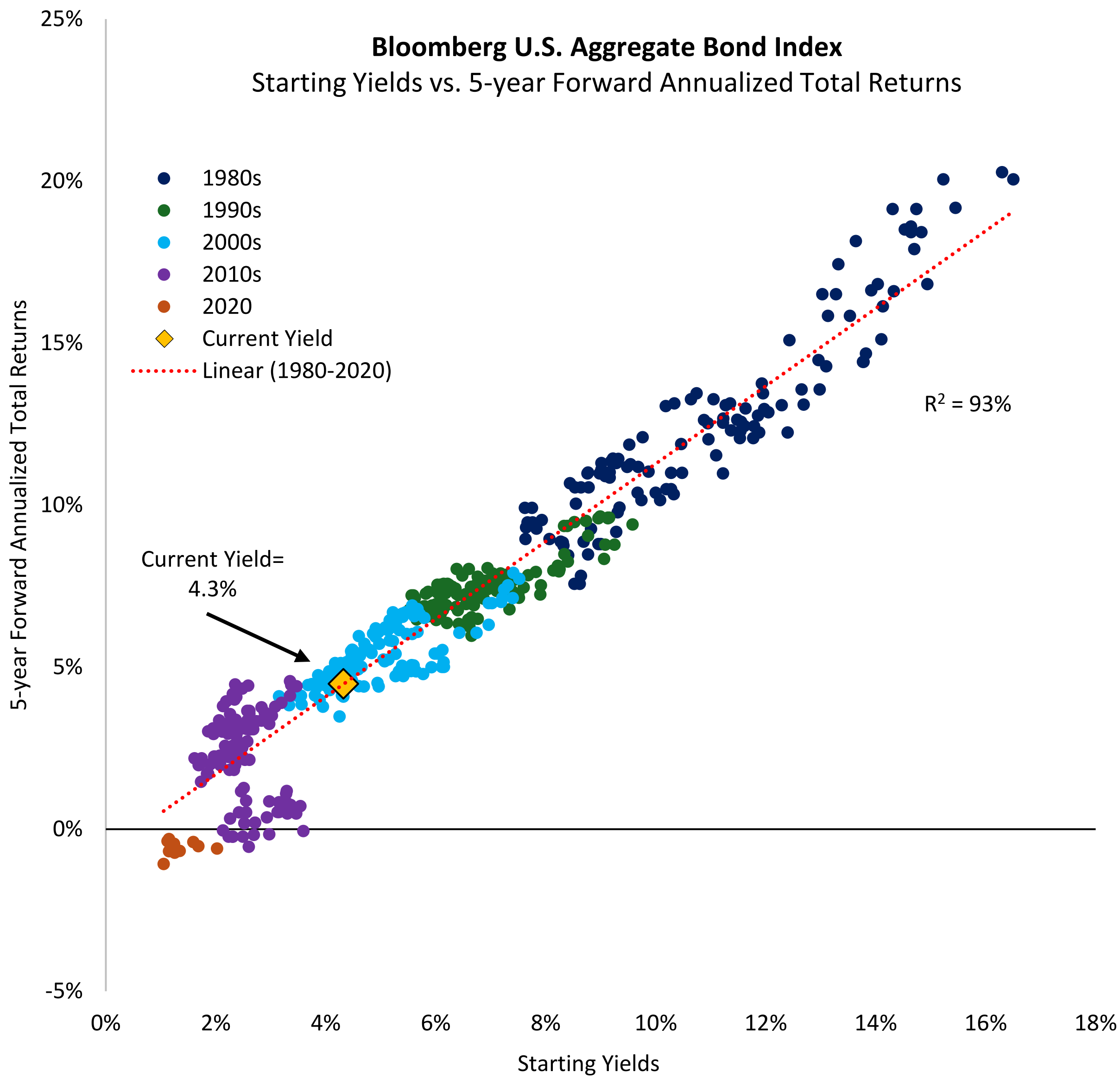
- In the aftermath of the pandemic, U.S. Treasury yields have risen to their highest range in nearly two decades, reversing their secular downtrend since the 1980s.
- Risks of higher rates in the near term amid increasing deficits and debt levels remain limited, in our view, provided that the Fed does not re-emerge as a significant buyer of U.S. Treasurys to directly finance government deficits.
- Massively higher debt levels, when not financed by the Fed, have led to lower rates. The 10-year U.S. Treasury yield peaked in 1980 when U.S. debt/GDP was 31%, with total U.S. Treasury supply less than $1 trillion. In the next four decades, Treasury rates fell and reached a secular low in 2020, even as the federal debt increased to >$20 trillion, causing U.S. debt/GDP to hit 132%.

CIO Key Considerations

The primary driver of long-term rates is the expected path of short-term rates, which are driven by Fed policy to manage inflation and employment. At current levels, rates are fairly priced, providing good diversification benefits for multi-asset class portfolios and reasonable income.

Gray bars represent recessionary periods. Sources: White House Office of Management and Budget, Federal Reserve Economic Data, Bloomberg. Data as of December 31, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures. Past performance is no guarantee of future results.**

The Power in Capturing Today's Elevated Yields



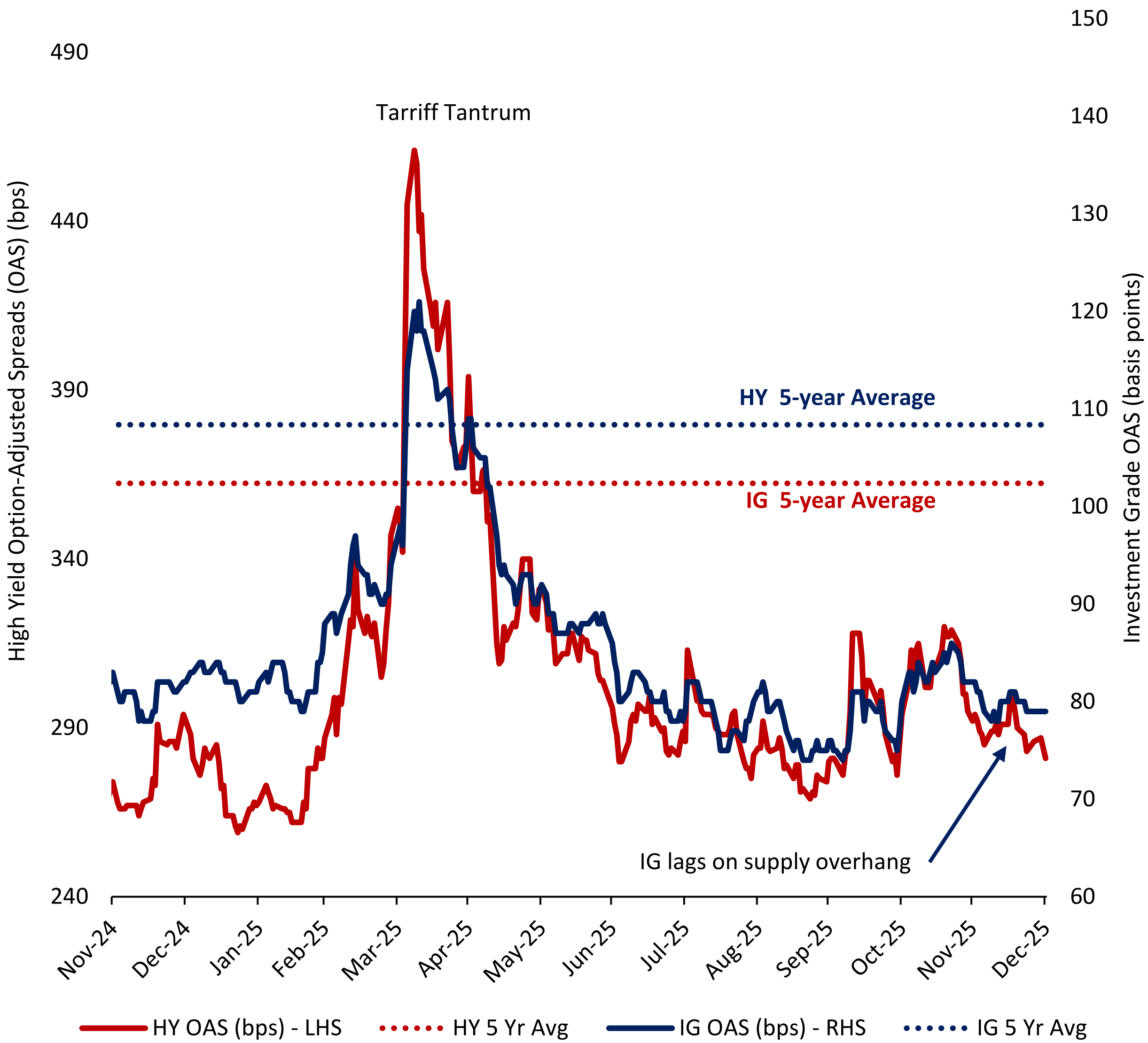
- History suggests a strong and positive relationship between starting yields and subsequent forward total returns.
- Around 93% of 5-year annualized Bloomberg U.S. Aggregate Bond Index total return can be explained by its starting yield.
- Simply put, the higher the entry yield, the stronger the forward return.
- With the Fed expected to continue easing in 2026, investors should consider moving investment cash to at least their strategic duration target to capture today's elevated yields and hedge against rates drifting lower ahead.

CIO Key Considerations

We expect continued Fed easing in 2026 and, therefore, prefer investors to move excess cash into risk assets and Fixed Income of a reasonable duration.

Monthly data used. Starting yields reflect yield-to-worst. R^2 measures how well one variable explains the variation in another. The linear regression line reflects the best-fit line that represents the relationship between the two variables. The Bloomberg U.S. Aggregate Bond Index has a modified adjusted duration of roughly 6 years. Source: Bloomberg. Data as of December 31, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures. Past performance is no guarantee of future results.**

Credit Spreads Finish the Year Near Starting Levels



- Investment-grade (IG) credit spreads are ending the year where they began, while High Yield (HY) spreads are modestly wider.
- We are constructive on the macro and fundamental backdrops. However, we see modest technical pressures potentially leading to decompression in the first half.
- While room for further tightening may be more limited, we continue to believe that the current environment is supportive of credit spreads. We remain neutral both IG and HY.

CIO Key Considerations

We continue to believe that neutral positioning across IG, HY, and MBS in all-Fixed Income portfolios is appropriate at this time.

IG Index refers to ICE BofA U.S. Corporate Index. HY Index refers to ICE BofA U.S. High Yield Idea. Source: ICE BofA, Bloomberg. Data as of December 31, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures. Past performance is no guarantee of future results.**

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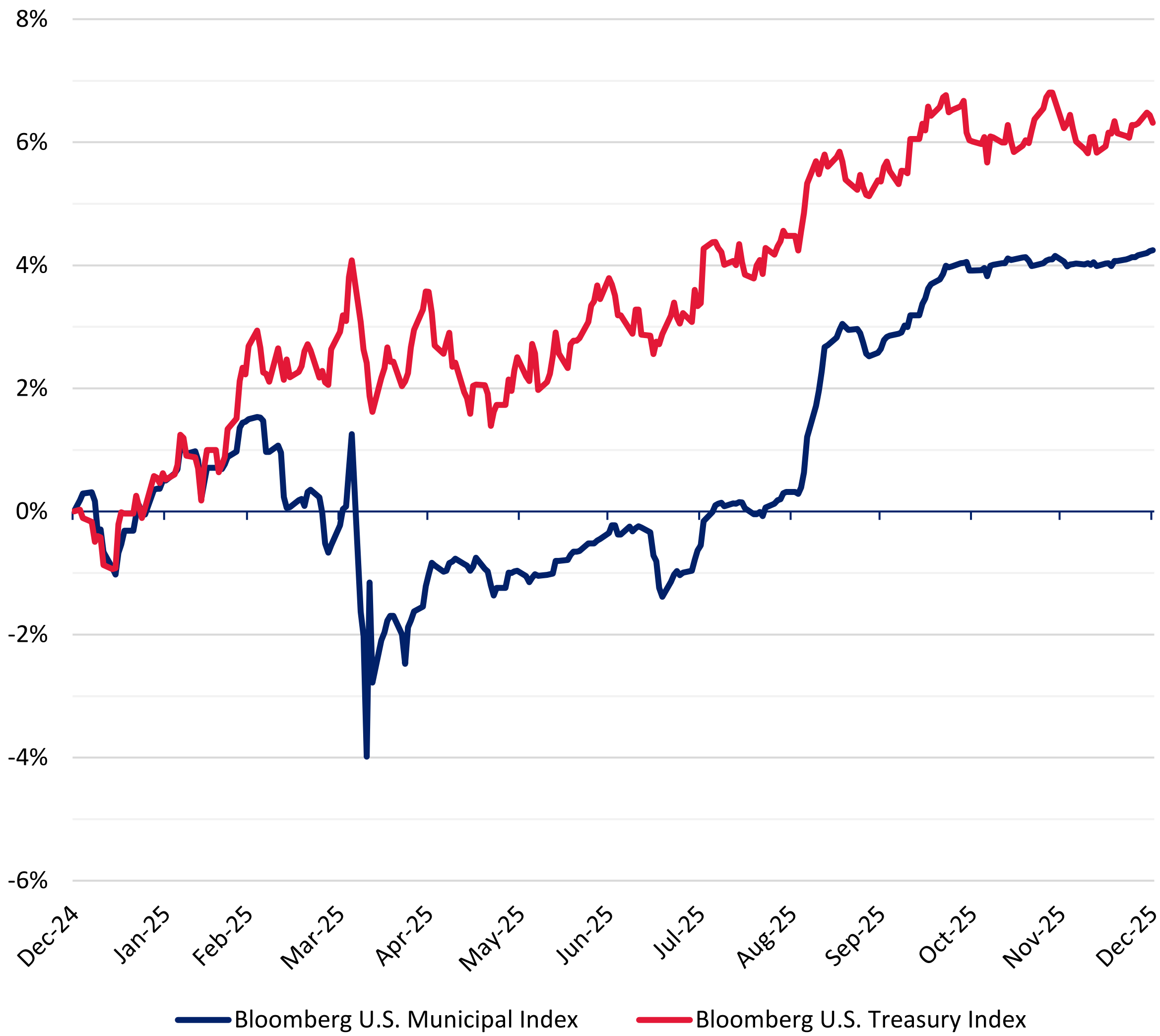
Q4 2025: Munis Continued to Rally After a Weak First Half

Cumulative 2025 Total Returns



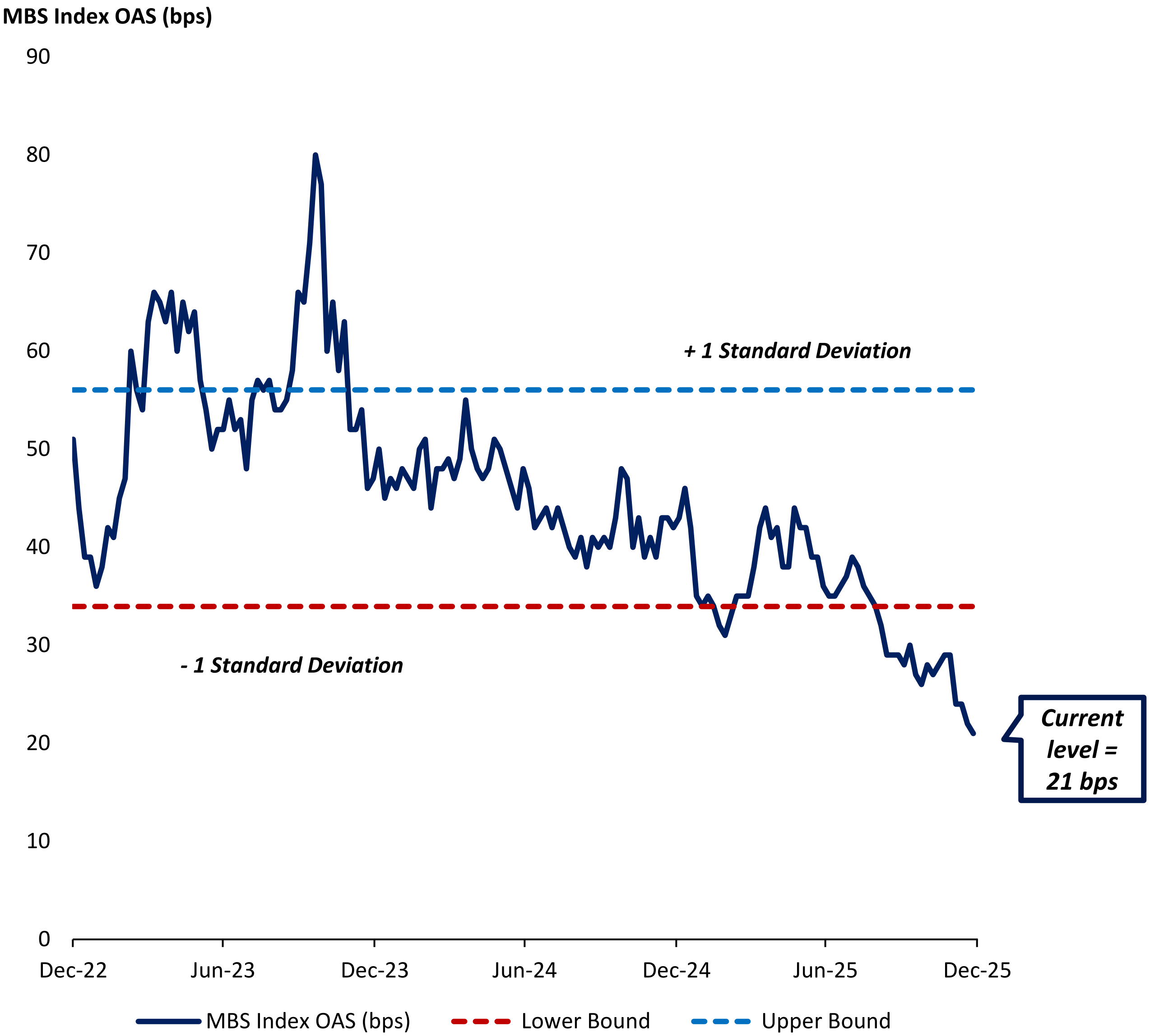
- Munis continued to rally on a relative and absolute basis, after a weak first half in which performance was adversely affected by concerns (which turned out to be overblown) on tariffs and the OBBBA.
- We are still constructive on tax-exempt munis because they remain an important solution for high income investors seeking to optimize after-tax returns.
- Muni valuations remain reasonably attractive; as of December 31, the Bloomberg U.S. Municipal Index yielded 3.60%, equivalent to 6.08% on a federal taxable basis for taxpayers in the highest marginal tax rate.
- We believe credit selection will remain an important determinant of municipal portfolio performance, to both exploit opportunities to enhance portfolio yield and avoid credit-related losses.

CIO Key Considerations

For highly tax-sensitive investors, we maintain a preference for IG and High Yield tax-exempt securities over taxable bonds.

Source: Bloomberg. Data as of as of December 31, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Agency Mortgage-backed Securities: Balanced Outlook



- We maintain a neutral outlook for agency MBS within Fixed Income as risk-reward remains well-balanced.
- MBS delivered a strong performance in 2025 driven by market expectations of Fed policy rate easing and historically low-interest rate volatility. MBS Index spreads have broken through the low end of their three-year range leaving limited room for further spread compression.
- We continue to monitor two key developments: the Fed's MBS portfolio run-off and ongoing Government-Sponsored Enterprises (GSE) privatization efforts, both of which could significantly impact performance.

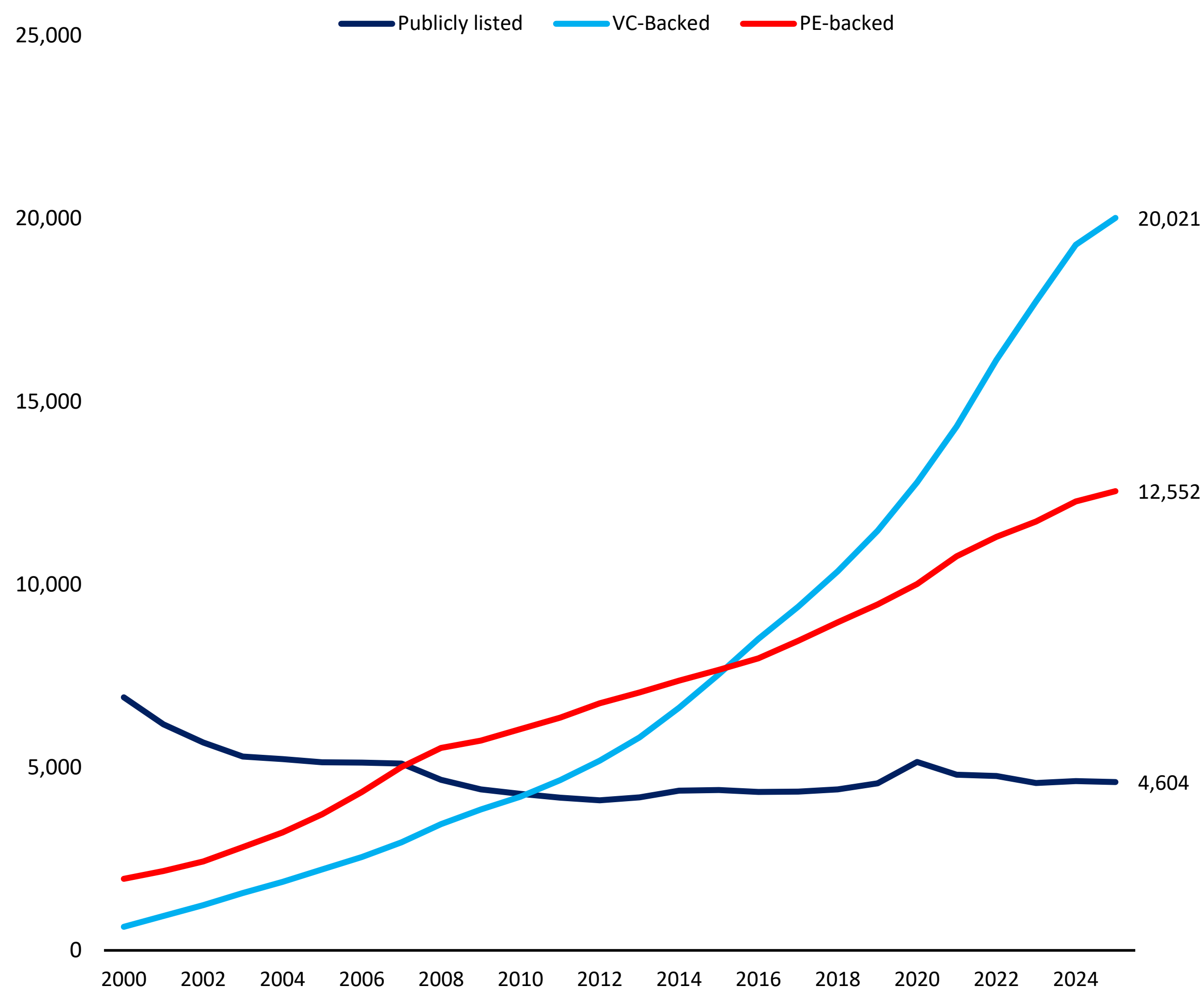
CIO Key Considerations

In multi-asset class portfolios, within IG Taxable, we are slightly underweight MBS in favor of Equities.

MBS=Bloomberg U.S. MBS Index. Weekly data referenced. Source: Bloomberg. Data as of December 31, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Alternative Investments*: Delaying The Public Pivot

Count of PE-backed companies compared to publicly listed U.S. firms on the NYSE and Nasdaq



- Companies are enjoying the flexibility of staying private for longer. With access to plentiful private capital, more valuation growth is occurring before public ownership.
- With fewer burdensome reporting requirements (e.g., quarterly earnings), the universe of Private Equity (PE)- and Venture Capital (VC)-backed companies has grown from 2,600 to over 32,000, while the number of publicly listed companies has dwindled over the last 25 years.
- Following this trend, private markets are expected to be the birthplace of the next generation of technological firms that will drive the next leg of AI.

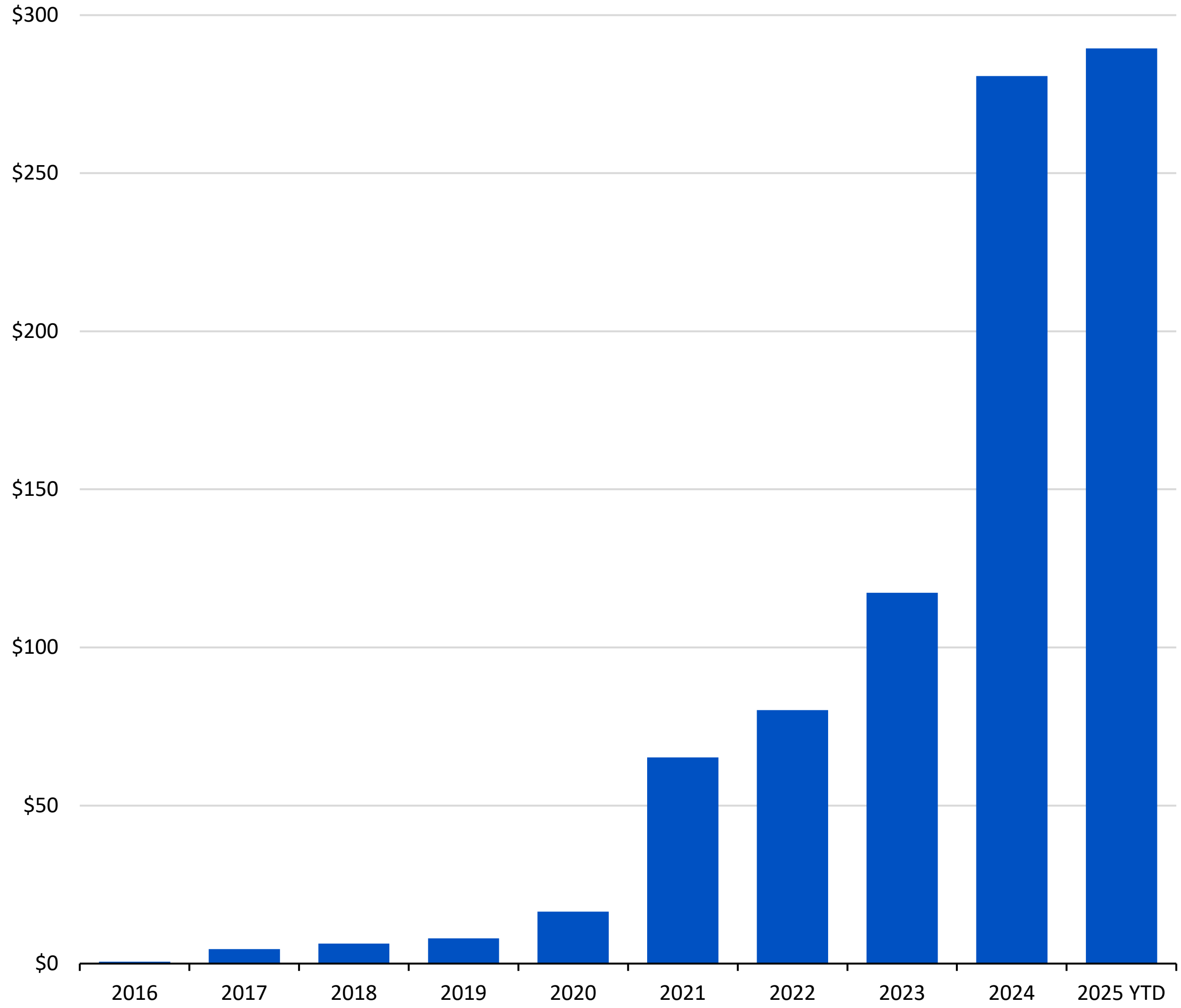
CIO Key Considerations

Allocating to private markets allows qualified investors to access opportunities not available in public markets, potentially improving returns or increasing diversification.

***Many products that pursue Alternative Investment strategies, specifically Private Equity & Credit and Hedge Strategies, are available only to qualified investors.** Sources: PitchBook, BofA Global Research. Data as of June 30, 2025. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. Please refer to appendix for important disclosures.**

AI Era Drives Infrastructure Boom

Data Center Infrastructure Projects - Total Cost Globally ($Bn)



- The rapid acceleration of data center investments driven by the AI secular theme underscores a structural growth opportunity for strategic capital allocation within Infrastructure.
- As an asset class, Infrastructure can bring attractive attributes to portfolios including income, downside mitigation and hedging against inflation.
- Infrastructure can increasingly be accessed through both public and private markets, each offering differing exposures and risk-and-return profiles.

CIO Key Considerations

The infrastructure investment opportunity, in our view, is wide and deep. We continue to expect potential opportunities to develop in the coming years in both public and private markets.

Sources: LSEG, Refinitiv. 2025 YTD data as of December 9, 2025. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for important disclosures.**

CIO Asset Classes and Sector Views

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Asset Class	Underweight	Slightly Underweight	Neutral	Slightly Overweight	Overweight
Global Equities				●	
U.S. Large-cap Growth				●	
U.S. Large-cap Value				●	
U.S. Small-cap Growth				●	
U.S. Small-cap Value				●	
International Developed		●	◄		
Emerging Markets			►	●	
Global Fixed Income		●			
U.S. Governments		●			
U.S. Mortgages		●			
U.S. Corporates		●			
International Fixed Income		●	◄		
High Yield		●	◄		
U.S. Investment-grade Tax Exempt		●			
U.S. High Yield Tax Exempt		●			
Alternative Investments*					
Hedge Strategies			●		
Private Equity**			●		
Private Credit**			●		
Real Assets			●		

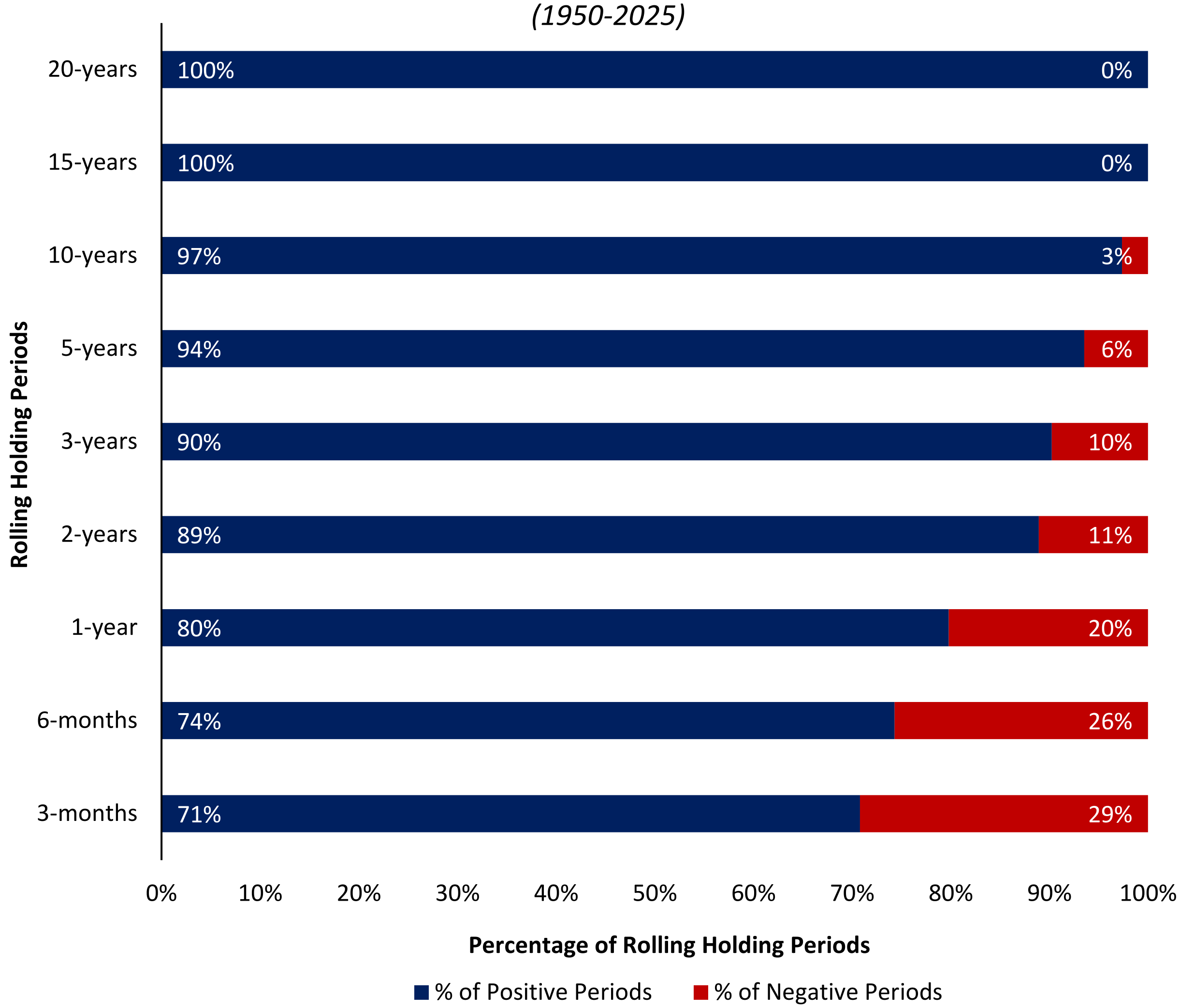
Sector	Underweight	Slightly Underweight	Neutral	Slightly Overweight	Overweight
Financials					●
Utilities				●	
Consumer Discretionary				●	
Industrials				●	
Communication Services			●		
Information Technology			●		
Healthcare		►	●		
Real Estate		●	◄		
Consumer Staples		●			
Materials		●			
Energy	●				

- We maintain our Equity overweight relative to Fixed Income, while we continue to emphasize diversification, non-U.S. exposure with a slight bias toward emerging markets, above benchmark positioning in Financials, Utilities, Consumer Discretionary, and Industrials and benchmark exposure to Technology.
- Secular tailwinds may support Growth, while Value continues to trade at a relative discount and dividend-oriented Value stocks remain attractive. We suggest a disciplined and balanced approach between Value and Growth for long-term investors.
- We are neutral across Fixed Income in all-Fixed Income low-tax sensitivity portfolios. We still favor a significant allocation to bonds in a well-diversified portfolio.
- For qualified investors, we continue to emphasize potential long-term growth and income opportunities in Alternative Investments.

ALTERNATIVE INVESTMENTS NOTE: Given the differences in liquidity characteristics between Alternative Investments and traditional investments, the Alternative Investments portfolio positioning and CIO asset class views have been neutral rated versus our strategic allocations. These types of investments, in our opinion, should not be viewed at the asset class level on a tactical basis, rather the tactical positioning should be expressed at the subasset level.
***Many products that pursue Alternative Investment strategies, specifically Private Equity & Credit and Hedge Strategies, are available only to qualified investors.** Source: GWIM Investment Strategy Committee (GWIM ISC) as of January 6, 2026. **FOR INFORMATIONAL PURPOSES ONLY.** **Effective 1/2026 Private equity and Private Credit are shown as separate asset classes**.** Please refer to the January 2026 Viewpoint for more detailed weightings information. The Chief Investment Office (CIO) views and opinions expressed are for informational purposes only, are made as of the date of this material, and are subject to change without notice. All sector and asset allocation recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. **Please refer to appendix for asset class and sector proxies and index definitions.**

Patience Pays: Let Time Work for You

S&P 500: Frequency of Positive vs. Negative Annualized Total Returns Across Rolling Holding Periods
(1950-2025)



- History shows longer holding periods increase the likelihood of positive returns. Over every 15- and 20-year rolling period since 1950, the S&P 500 delivered a positive annualized total return—100% of the time.
- In other words, investors who stayed invested for 15+ years never experienced a negative average yearly return, even through recessions, wars, inflation, shocks and crises.
- Why? Short-term volatility tends to smooth out over time. Losses early in the period have been historically offset by recoveries and the power of compounding later.
- The key message is simple: markets may feel risky day-to-day, but the longer you stay invested, the more often you may experience gains. Time does not eliminate risk, but it has historically helped to shift the odds of success in your favor.

CIO Key Considerations
Align investment horizons with goals. For long-term objectives, the historical probability of positive outcomes supports disciplined allocation and rebalancing.

Annualized total returns based on monthly data. Sources: Bloomberg. Data as of December 31, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, index definitions and important disclosures.**

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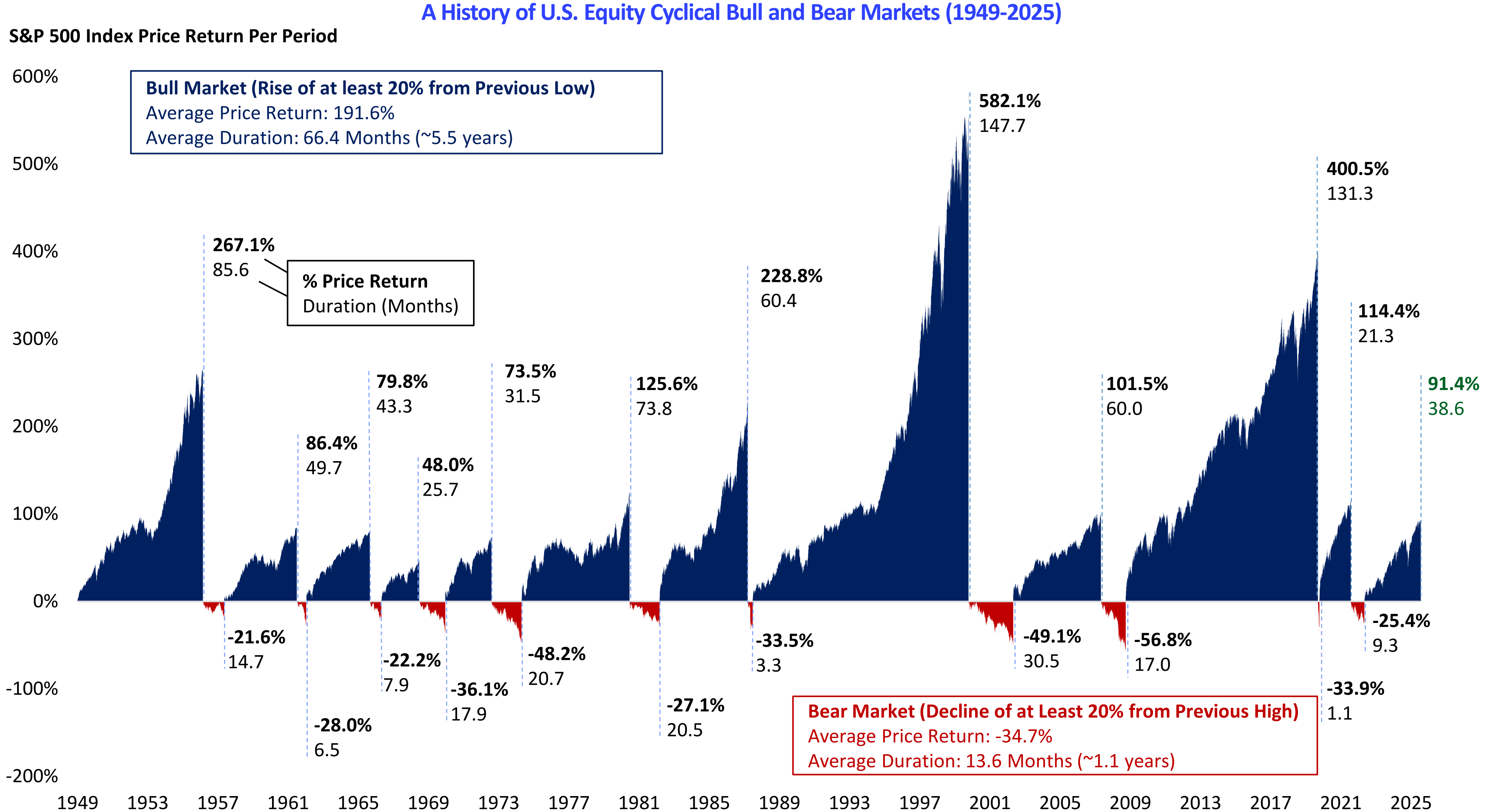
Recoveries Follow Downturns



CIO Key Considerations

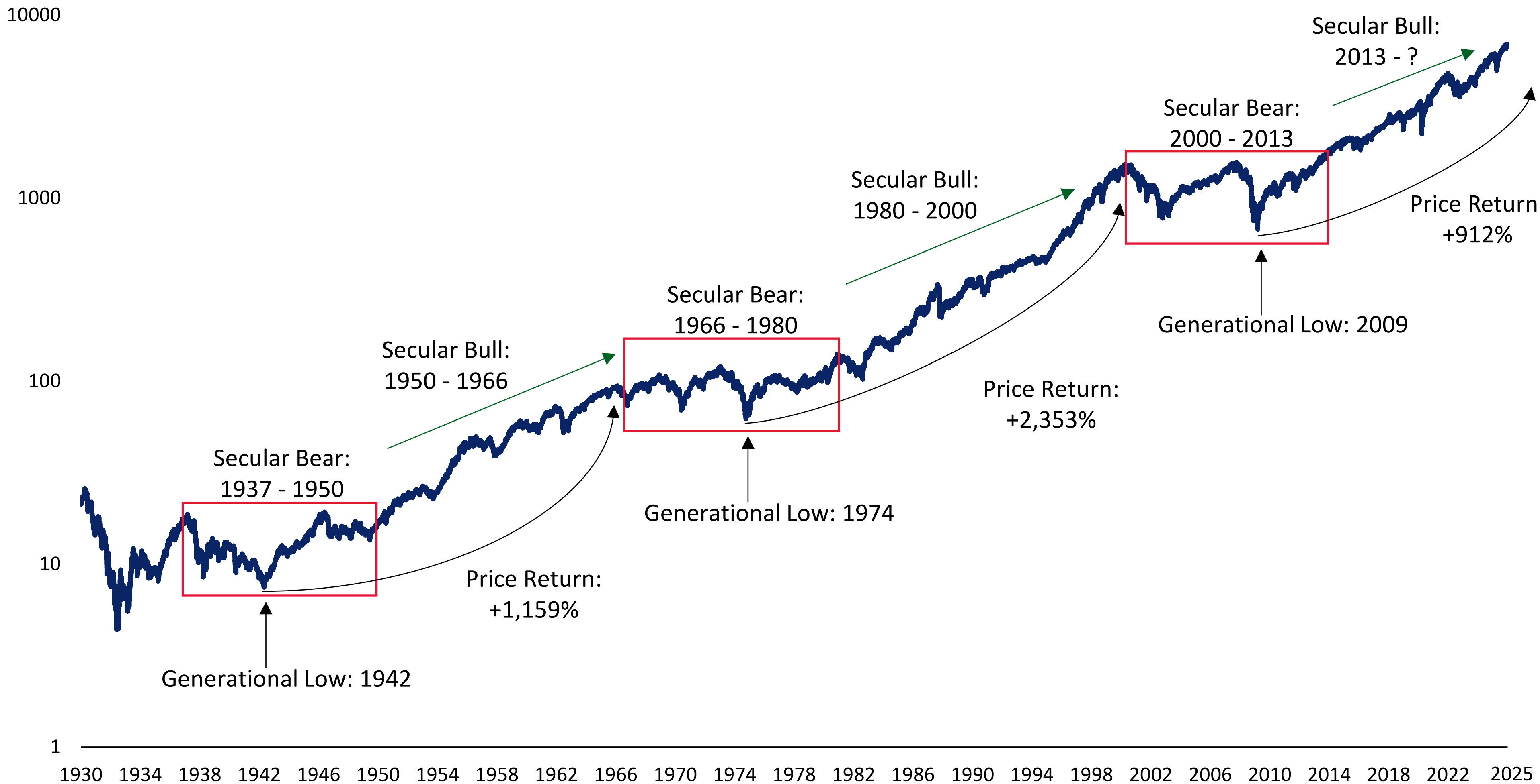
While every cyclical bear market is different in terms of drivers, duration and declines, every past market downturn has been followed by a recovery.

Asset allocation and diversification do not ensure a profit or protect against loss in declining markets. Sources: Bloomberg; Yardeni Research. Data as of December 31, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

The Secular Bull Should Be Set to March On…

S&P 500 Index (Log Scale)

A History of U.S. Equity Secular Bull and Bear Markets

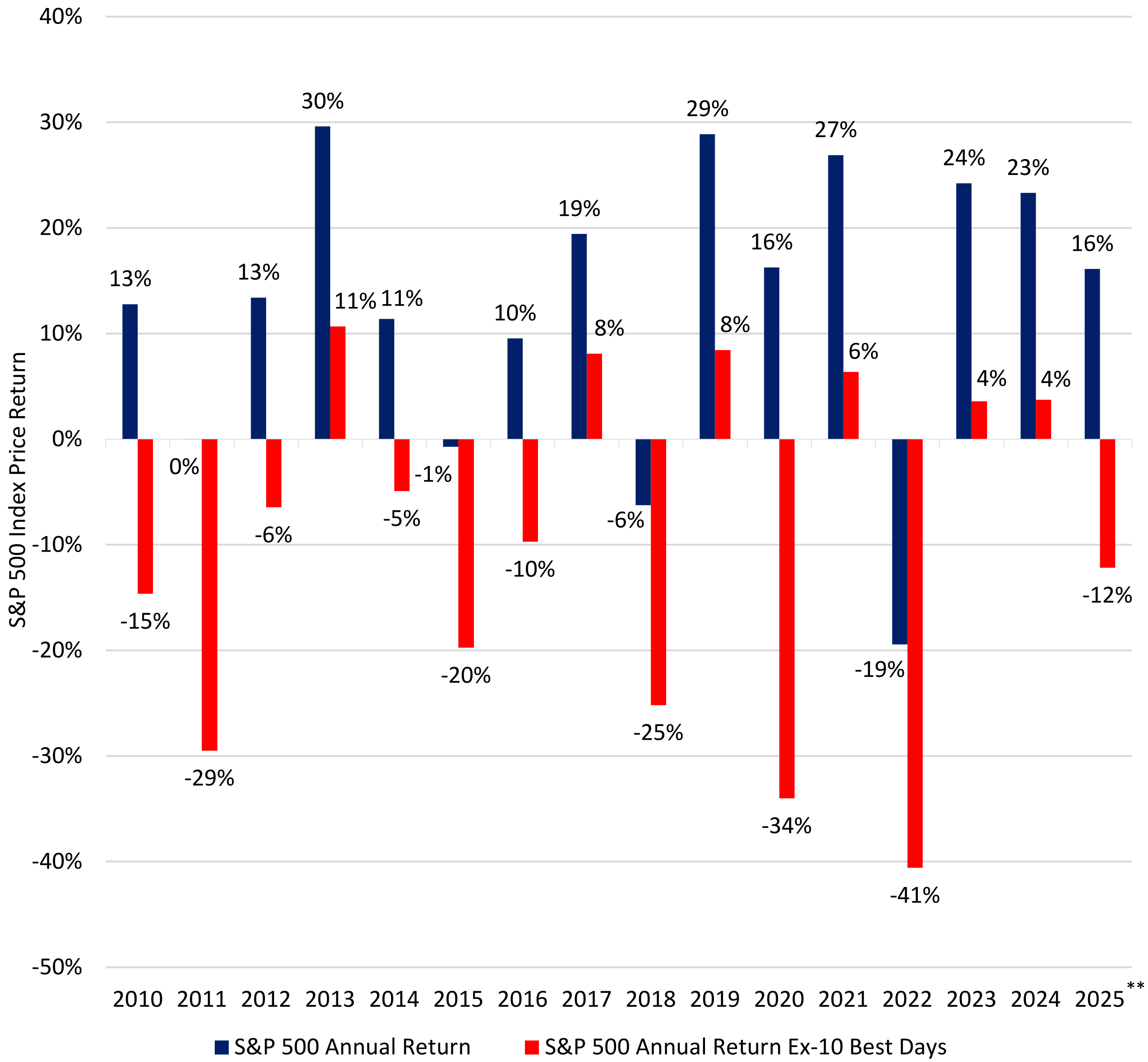


CIO Key Considerations

Secular bull markets are long-term uptrends in Equities that generally undergo multiple business and market cycles.
We expect accelerated innovation in Artificial Intelligence and the asset-light era to power the ongoing secular bull market cycle forward.

Sources: Chief Investment Office, BofA Global Research; Bloomberg. Data as of December 31, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Time in the Market Matters



- Time in the market is a necessary ingredient for a successful investment strategy, as opposed to timing the market. In an attempt to invest at the "perfect time", investors are likely to impair their returns.
- A longer investment horizon can be associated with an increased probability of generating positive returns.
- Since 1930, the S&P 500 has returned over 31,814%, while the index has only returned 112% when you exclude the 10 best days per decade. Since the start of this decade, the index has returned 112% overall, but when you exclude the 10 best days that falls to 11%.*

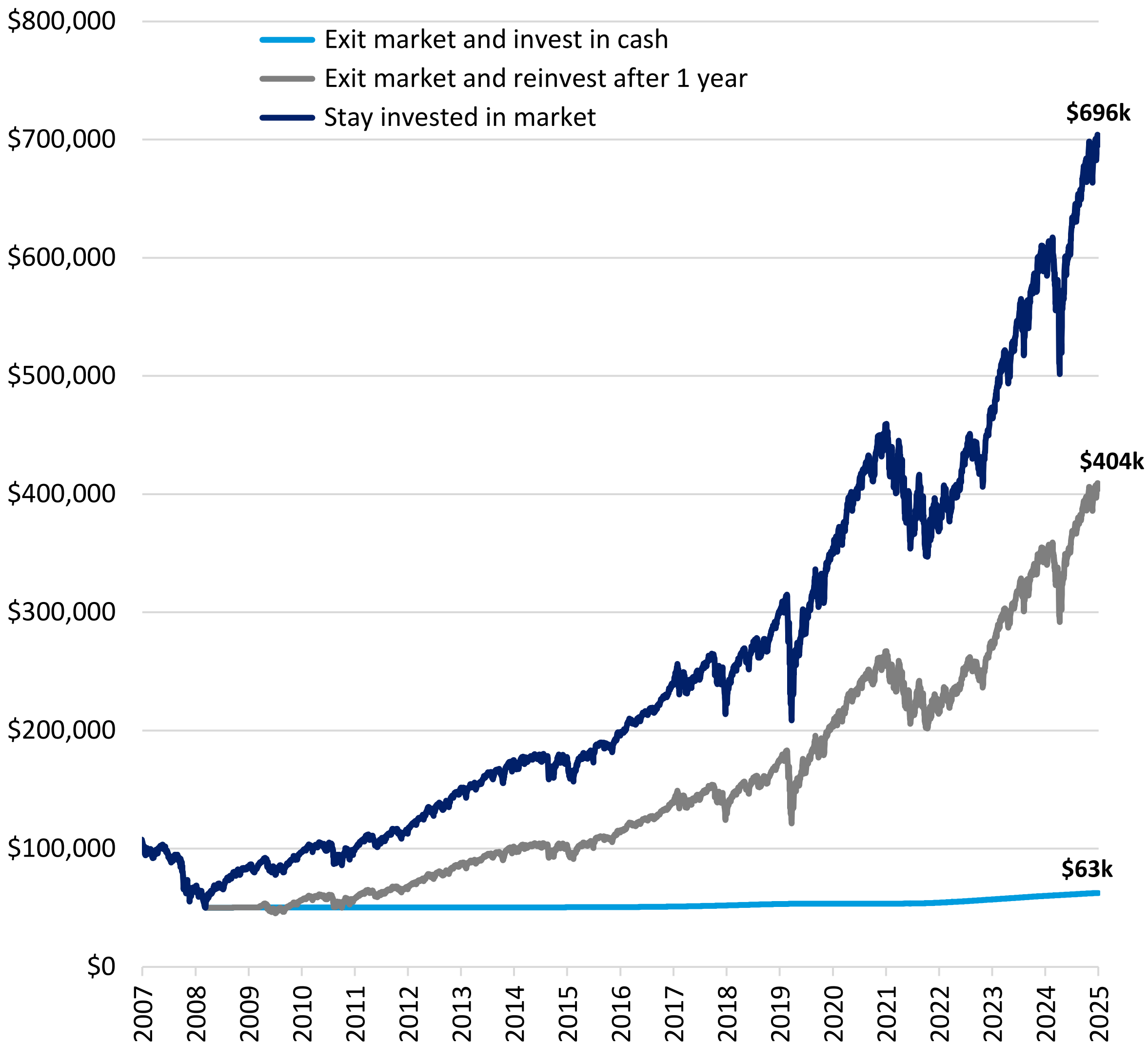
CIO Key Considerations

Excluding the best days of performance for the S&P 500 has drastically cut down returns historically. Stay the course and remain invested according to an established investment plan.

*Calculated by BofA Global Research. Data as of December 31, 2025. **Data as of December 31, 2025. Source: Bloomberg. Data as of December 31, 2025. Price returns used. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

The Risk of Avoiding Risk

Hypothetical Portfolio Value



- Indiscriminately selling out of the market has the potential to influence long-term portfolio outcomes:
  - ➢ If you started out with a $100,000 Equity portfolio at the beginning of 2007, and you sold at the market bottom to invest in cash, you would only have around $63,000 today.
  - ➢ If you sold at the bottom and reinvested in Equities after one year (i.e., attempted to time the market), you would have about $404,000 today.
  - ➢ If you had stayed invested throughout the entire time frame, your initial investment of $100,000 would have grown to around $696,000 today.

CIO Key Considerations

Staying invested throughout periods of uncertainty may help achieve better outcomes.

Source: Bloomberg. Data as of December 31, 2025. Equities are represented by the S&P 500 Index. Cash is represented by the ICE BofA U.S. 3-Month Treasury Bill Index. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

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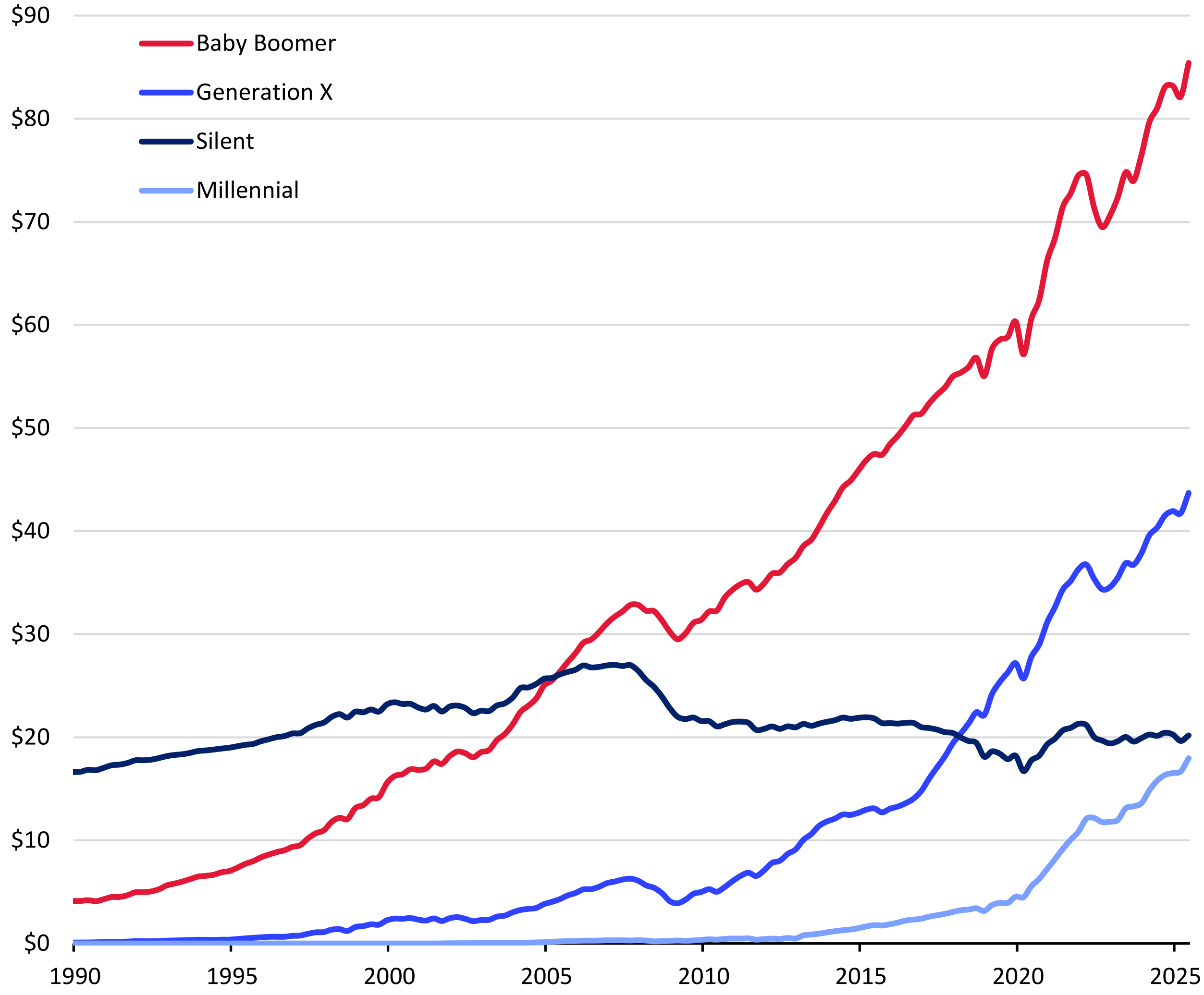
CIO Thematic Investing: Spotlighting the Great Wealth Transfer

U.S. Household Net Worth by Generation

USD Trillions



- Baby Boomers now own $85 trillion or more than half of U.S. household net worth. Some $105 trillion is expected to be inherited by members of Generation X, Millennials, and Generation Z through 2048 in the U.S.*
- Supported by appreciating Equities and home prices, boomer spending was a key driver of U.S. consumer resilience in 2025, a theme that we see continuing in 2026.
- The transfer of assets to the next generation of investors and consumers should mean greater demand for traditional stocks and bonds and alternative investments for qualified investors.

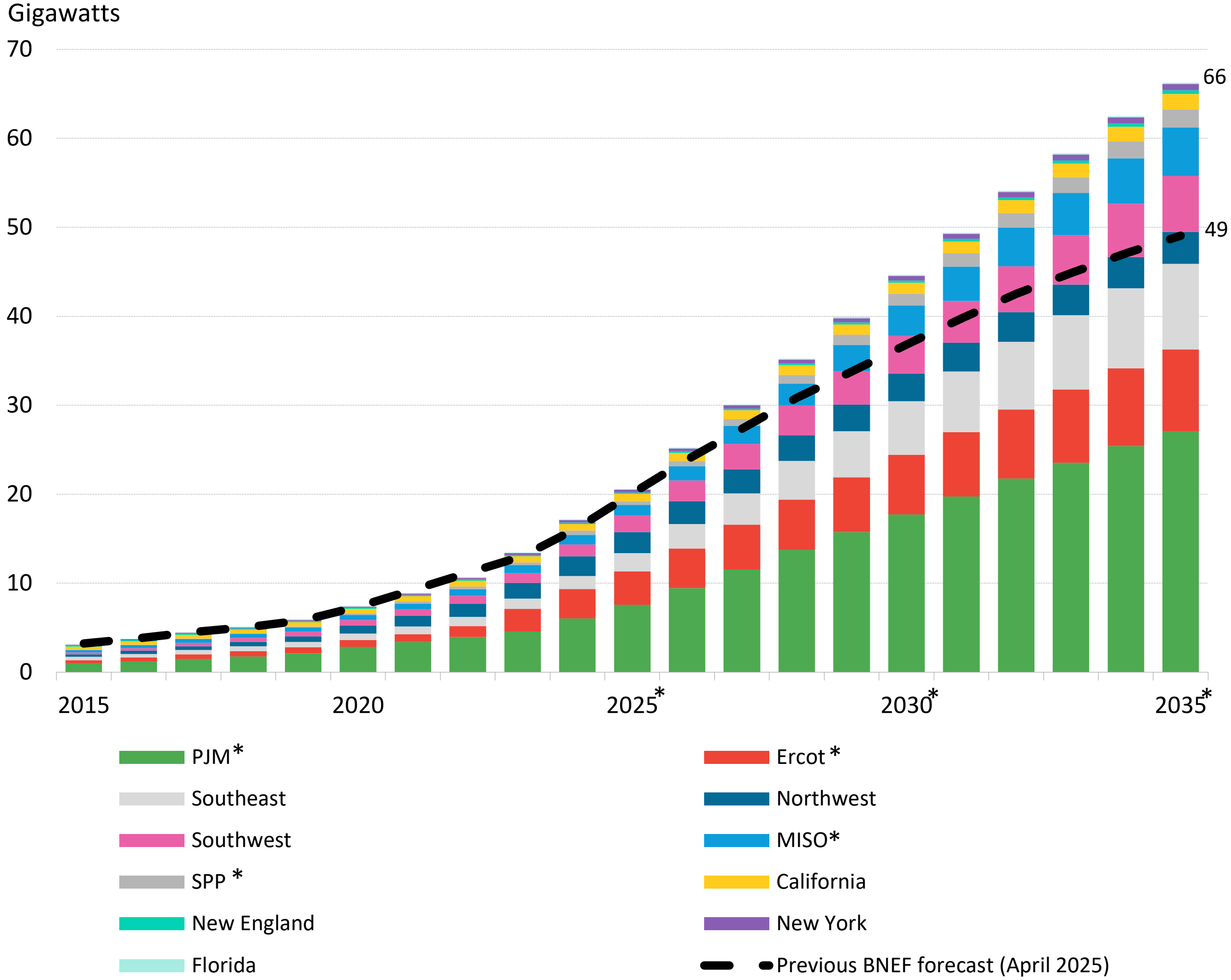
CIO Key Considerations

Our themes of Transformative Innovation, Resilient Infrastructure, Future Security and Changing Demographics each carry long-term implications for economic growth, the cost of capital, and global earnings, in our view.

*Estimate according to Cerulli Associates. Source: Federal Reserve. Data through Q2 2025, as of September 19, 2025. Latest data available. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for index definitions and important disclosures.** The Chief Investment Office (CIO) views and opinions expressed are for informational purposes only, are made as of the date of this material, and are subject to change without notice.

Data Centers Are The New "Power Players"

Average hourly data center electricity demand [1]



- Data center power demand could more than double within five years, concentrated in PJM* states (PA, NJ, MD, and more)—testing grid capacity and planning.
- In the U.S., data centers consume around 5% of electricity but may account for 35% of incremental demand through 2035.[2]
- The race to build AI infrastructure faces critical constraints: securing grid connections, not just generating power. Transmission delays and interconnection queues can stall projects.

CIO Key Considerations

Sustained load growth in the U.S., thanks in part to AI driven demand, creates a multi-faceted investment opportunity. Consider in a thematic allocation: grid modernization and buildout, clean tech components, power electronics, energy efficiency solutions, renewable developers, and energy storage.

Sources: [1] BloombergNEF, DC Byte, "US Data Center Outlook 2H 2025," December 1, 2025. Latest data available.*Note: 2025 and beyond represent estimates. Note: SPP is Southwest Power Pool, Ercot is Electric Reliability Council of Texas, MISO is Midcontinent Independent System Operator, PJM is Pennsylvania, New Jersey, Maryland, Delaware, Ohio, West Virginia, and DC and parts of Illinois, Indiana, Michigan, North Carolina, and Tennessee. [2] BofA Institute, "Watt's really driving US power demand?" December 3, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Please refer to appendix for index definitions and important disclosures.**

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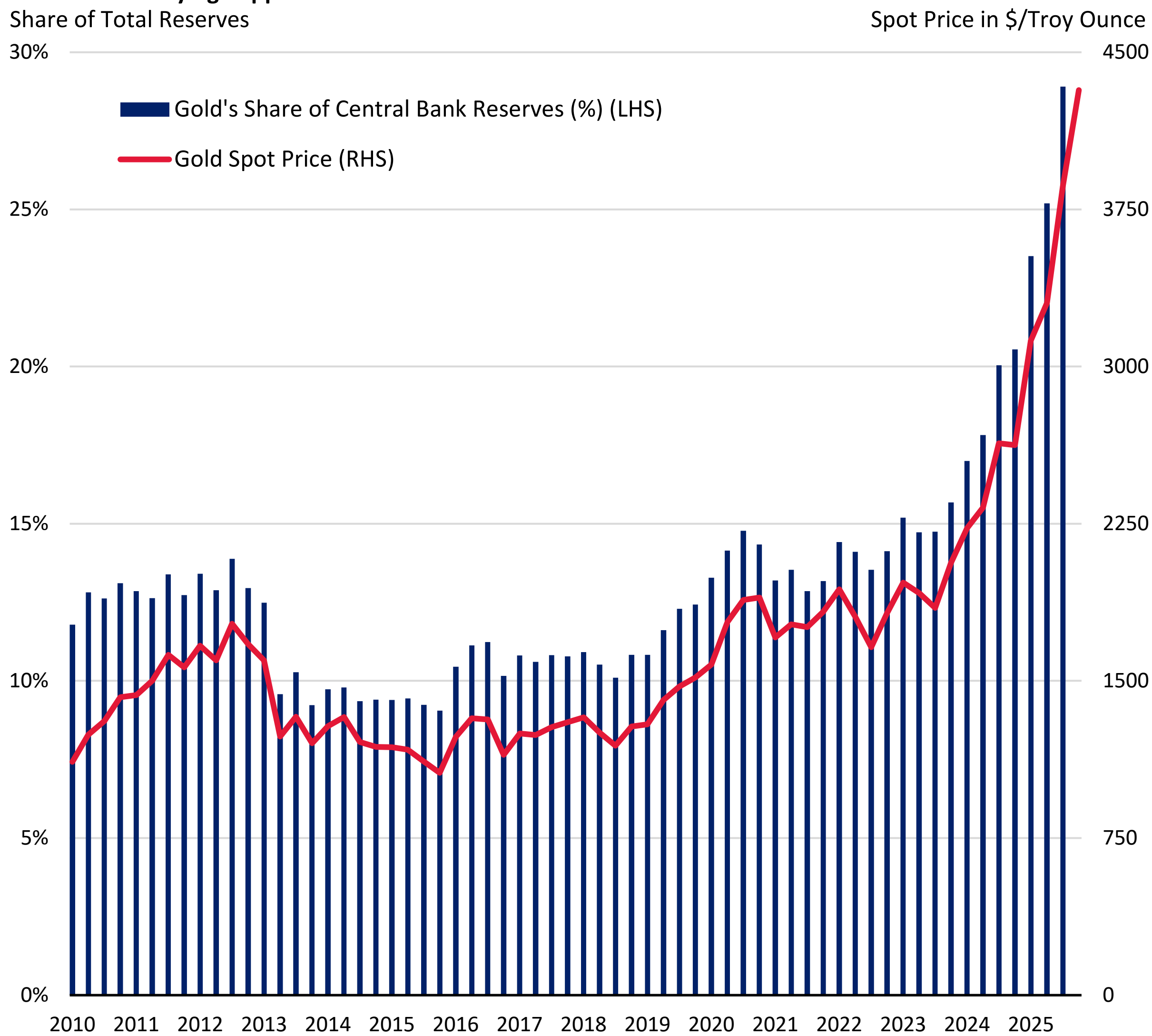
Gold to Remain a “Hedge” on Crosscurrents in 2026

Central Bank Buying Supports Gold’s Ascent



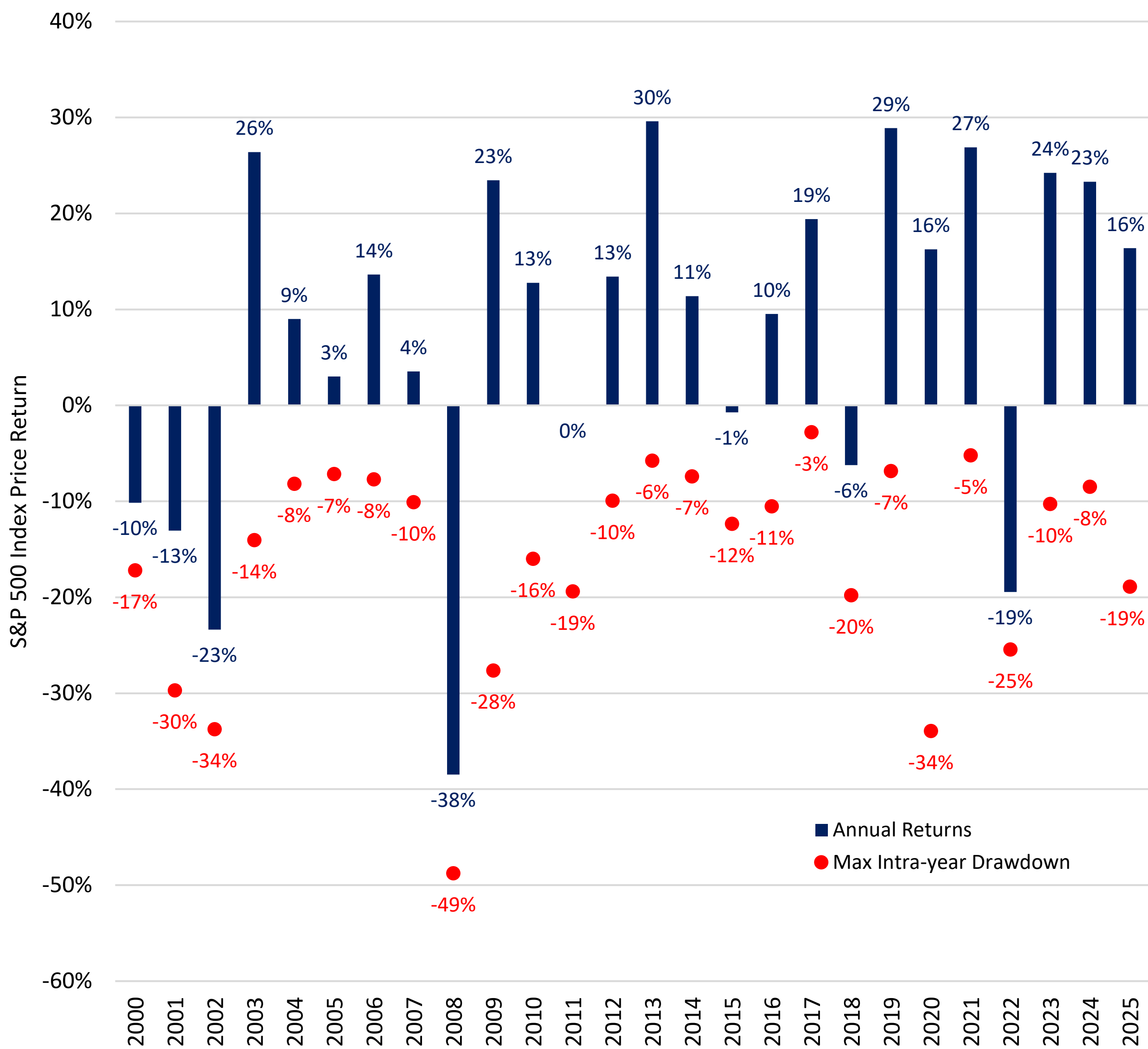
- Gold’s share of central bank reserves has surged in recent years, with the precious metal emerging as the second largest reserve asset globally. Central banks now hold around a fifth of all the gold that has ever been mined.
- In addition to strong buying from global central banks, drivers of gold’s performance include structurally higher inflation, concerns of widening fiscal deficits globally, and ongoing geopolitical tensions.
- Structural tailwinds drove gold up 65% in 2025, its best year since 1979.

CIO Key Considerations

Gold may provide diversification through bouts of market volatility and economic weakness or uncertainty.

Sources: World Gold Council, Bloomberg. Gold reserves data through Q3 2025. Latest data available. Spot price data as of December 31, 2025. **FOR INFORMATIONAL PURPOSES ONLY. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Volatility is Normal



- Remember that market volatility is normal and is an integral part of investing. Even years that culminate in positive returns overall can see notable intra-year drawdowns.
- Since 2000, annual returns for the S&P 500 have always been greater than the max intra-year drawdown.
- Moreover, in the 3, 6, and 12-months after the S&P 500 enters >10% correction territory, the index has seen average forward returns of 5.6%, 11.0%, and 13.3%, respectively.*

CIO Key Considerations

During volatile times, periods of weakness may provide attractive buying opportunities for investors to add to their investments.

*Refers to market corrections from 1980-2025. Forward 12-month average does not include 2025. Source: Bloomberg. Data as of December 31, 2025. Price returns referenced. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

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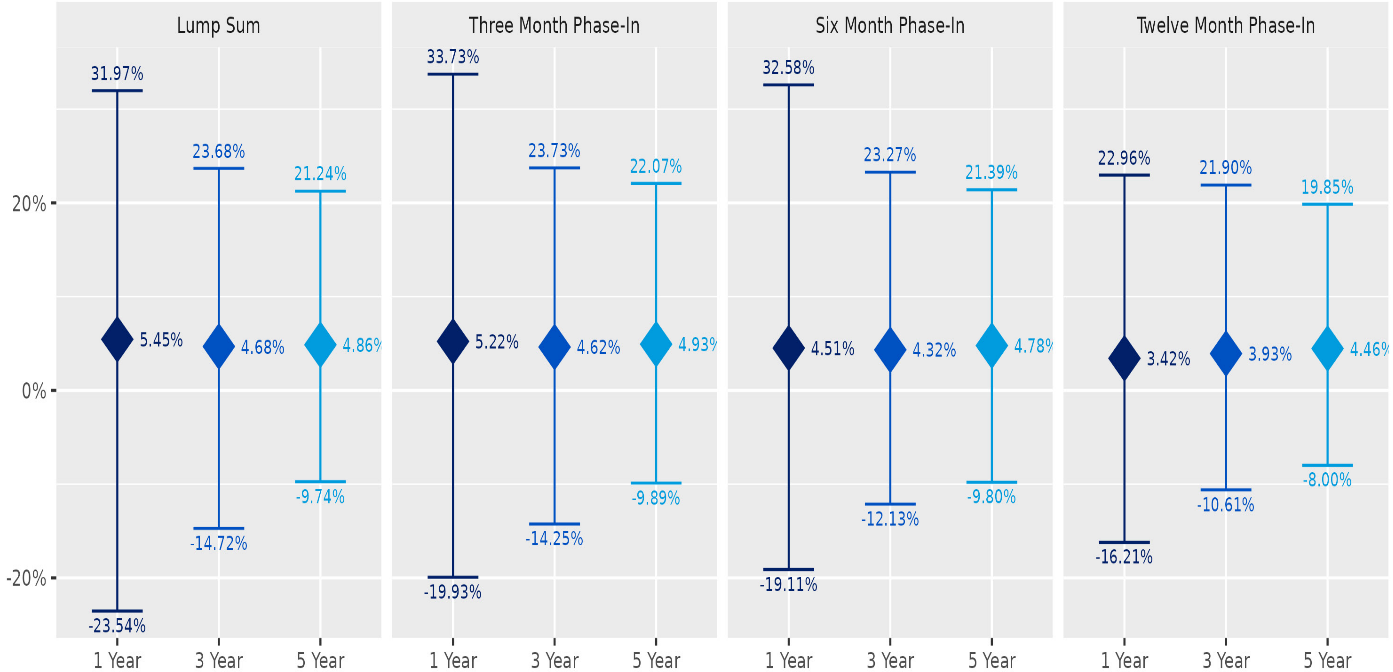
Dollar-Cost Averaging vs. Lump Sum Investing

60% Equity (MSCI All Country World Index) and 40% Fixed Income (Bloomberg Global Aggregate) Benchmark Return
Top bar = maximum return, Bottom bar = minimum return, Middle = median return



- Our study indicates that a lump sum investing approach, which entails investing a sum of money all at once, typically has a higher likelihood of outperforming a Dollar-Cost Averaging (DCA) approach, which entails gradually investing a sum of money over time.
- However, a DCA approach may mitigate concerns of lump-sum investing during times of volatility, helping investors to deploy cash at regular intervals.

Percent of Simulations where Lump Sum Outperforms	vs. Three Month Phase-In	vs. Six Month Phase-In	vs. Twelve Month Phase-In
1 Year	62.80%	64.30%	67.10%
3 Year	60.10%	62.10%	65.30%
5 Year	57.50%	63.20%	68.70%

CIO Key Considerations

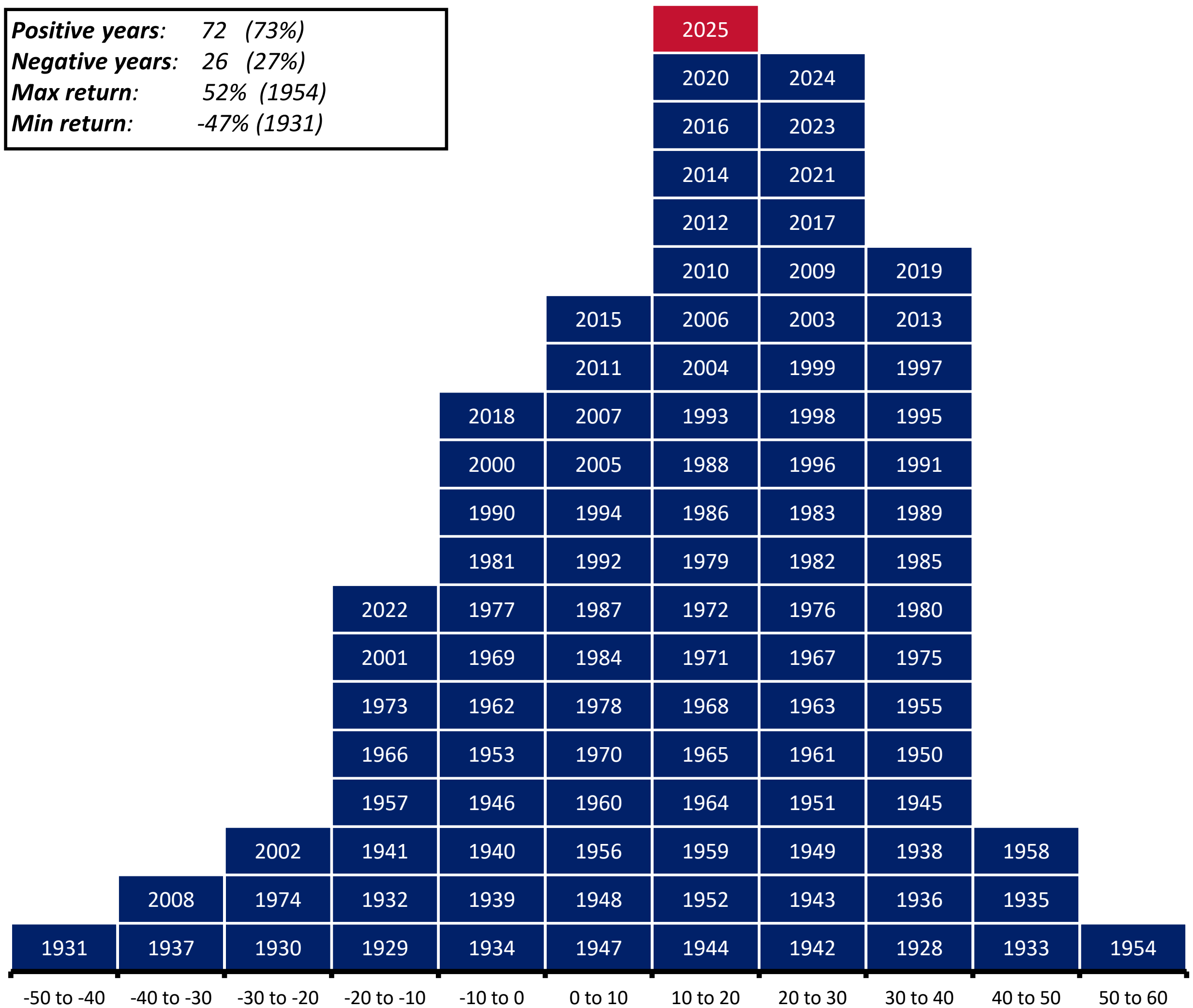
We continue to emphasize the importance of adhering to a disciplined and consistent investment process.

Source: FactSet. Data as of December 31, 2025. Performance is calculated using a traditional 60/40 benchmark with the 60% equity allocation using the MSCI All Country World Index and the 40% fixed income allocation using the Bloomberg Global Aggregate Index. Results are based on 1000 historical simulations. Each phase-in invests a fraction of the money each month. For example, in the 3-month phase-in, 1/3 of the money is invested the first month, another third the second month, so that all of the money is invested after 3 months. The time periods used were 1 year, 3 years, and 5 years. Each simulation would randomly pick 12, 36, or 60 months of returns from each benchmark and then calculate the returns over that time period using a 60%/40% equity/fixed income split that was rebalanced monthly. For each strategy and time period, the top and bottom bars show the maximum and minimum returns achieved across all simulations, while the middle box shows the median return. These performance results are not based on actual performance and are hypothetical simulations of a historical benchmark return. The returns shown are just one of the potential outcomes and using a different benchmark or time period will lead to different returns and results. These returns are purely for educational purposes and should not be viewed as realized returns or forecasts of portfolio performance. Cash returns for any uninvested cash are assumed to be 0%. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

S&P 500 Annual Returns: How Did 2025 Stack Up?

S&P 500 Performance 1928-2025
Annual Total Return (%)

Positive years:	*72 (73%)*
Negative years:	*26 (27%)*
Max return:	*52% (1954)*
Min return:	*-47% (1931)*



- In 2025, Equities staged a historic recovery from the nearly -19% drawdown in early April. The S&P 500 ended the year up 38.6% from the April 8 low, registering an annual total return of 17.9%.
- The S&P 500's 2025 annual return well exceeded the average annual total return of about 12% since 1928. It also marked the third consecutive year of double-digit gains for the index.
- We believe that the proud bull market marches on in 2026, though its advance could come at a moderate pace compared to the full-force charge over the past three years.

CIO Key Considerations

In our view, the bull market could continue in 2026, with Equities well positioned to deliver attractive returns on an absolute and relative basis.

Source: Bloomberg. Data as of December 31, 2025. Total return referenced. **FOR INFORMATIONAL PURPOSES ONLY. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Investment Strategy Committee Tactical Heat Map

- We remain overweight Equities relative to Fixed Income and continue to be balanced and diversified across all asset classes within multi-asset class portfolios.
- We are constructive on Fixed Income but remain underweight to fund our Equity overweight in diversified portfolios. We maintain a balanced approach across segments in all-Fixed Income low-tax-sensitive portfolios.
- Long-term investors that drift too far from their asset allocation objectives as market volatility picks up from time to time should consider rebalancing on weakness.

*Duration relative to strategic benchmark. CIO views as of January 6, 2026. Notes: Feb 24: Funded the increase in Equities from Fixed Income, lowering allocation to municipal bonds. Tilt towards Value in Small-caps; Oct 24: Rebalanced multi-asset portfolios back to tactical targets; Mar 25: Increased allocation to Equities relative to Fixed Income. Within Equities, trimmed the magnitude of the OW to U.S. Small-caps, with proceeds going to U.S. Large-caps. Within Fixed Income, decreased rate risk (U.S. Govs and MBS) and increased credit risk (High Yield); May 25: In all-Fixed Income high-tax-sensitivity portfolios, moved to exhibit a preference for Investment-grade Tax-Exempt and High Yield Tax-Exempt relative to Investment-grade Corporates; Oct 25: Rebalanced multi-asset portfolios back to tactical targets; Jan 26: Within Equities, trimmed the magnitude of the OW to U.S. Large-Cap Value to reflect a more equal balance between Large-cap Value and Large-cap Growth. Within International Developed, downgraded the UK and slightly reduced exposure to North America to fund Emerging Markets upgrade. **Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

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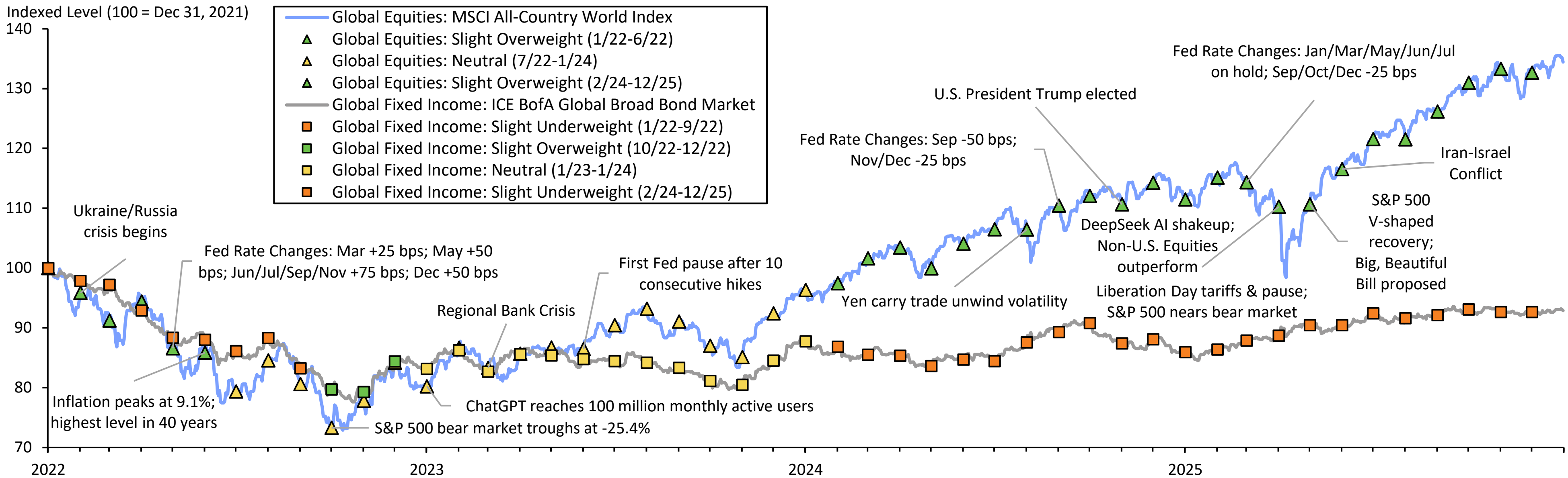
Investment Strategy Committee Tactical Strategy Timeline



2022

- **Feb:** → U.S. Mortgages downgraded
- **May:** → International Developed downgraded
- → Healthcare upgraded
- → Utilities upgraded
- → Information Technology downgraded
- → Communication Services downgraded
- → Industrials downgraded
- → Real Estate upgraded
- → Consumer Discretionary downgraded
- → Eurozone downgraded
- **Jul:** → Global Equities downgraded
- → U.S. Small-Cap Growth downgraded
- → U.S. Small-Cap Value downgraded
- → Utilities upgraded
- → Consumer Staples upgraded
- → Materials downgraded
- → Consumer Discretionary downgraded
- → Fixed Income Duration lengthened
- **Oct:** → Global Fixed Income upgraded
- → U.S. Governments upgraded
- → U.S. Mortgages upgraded
- → International Fixed Income upgraded
- → Fixed Income Duration lengthened

2023

- **Jan:** → Global Fixed Income downgraded
- → U.S. Governments upgraded
- → U.S. Corporates downgraded
- → Healthcare upgraded
- → Real Estate downgraded
- **Mar:** → U.S. IG* Tax Exempt downgraded
- **Apr:** → Communication Services upgraded
- → Financials downgraded
- → Real Estate downgraded
- **Jul:** → Fixed Income Duration lengthened
- **Oct:** → U.S. Mortgages upgraded
- → U.S. Corporates downgraded
- → U.S. IG Tax Exempt upgraded
- → Energy upgraded
- → Utilities downgraded

2024

- **Feb:** → Global Equities upgraded
- → U.S. Small-Cap Growth upgraded
- → U.S. Small-Cap Value upgraded
- → Global Fixed Income downgraded
- → U.S. IG Tax Exempt downgraded
- → Healthcare downgraded
- → Energy downgraded
- → Utilities downgraded
- → Consumer Staples downgraded
- → Industrials upgraded
- → Real Estate upgraded
- → Consumer Discretionary upgraded
- **Sep:** → Industrials downgraded
- → Financials upgraded
- **Oct:** → U.S. IG Tax Exempt upgraded
- → Energy downgraded
- → Utilities upgraded
- → Japan upgraded
- → Asia Pac ex-Japan downgraded
- → Fixed Income Duration shortened

2025

- **Jan:** → Healthcare downgraded
- → Consumer Staples upgraded
- **Mar:** → U.S. Large-Cap Growth upgraded
- → International Developed upgraded
- → U.S. Governments downgraded
- → U.S. Mortgages downgraded
- → High Yield upgraded
- → U.S. IG Tax Exempt downgraded
- → Eurozone upgraded
- **Aug:** → Financials upgraded
- → Industrials upgraded
- → Healthcare downgraded
- → Energy downgraded

Overweight
Slight Overweight
Neutral
Slight Underweight
Underweight

*Investment Grade. MSCI All-Country World Price Index and ICE BofA Global Broad Bond Market Index are all normalized at a level of 100 as of December 31, 2021. Sources: Tactical views representative of the Global Wealth & Investment Management Investment Strategy Committee (GWIM ISC) as of December 2, 2025. Data: Bloomberg as of December 31, 2025. CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio. Tactical strategy weightings are for a 12- to 18-month time horizon and based on the relative attractiveness of each asset class. **Past performance is no guarantee of future results. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Please refer to appendix for glossary, asset class proxies, index definitions and important disclosures.**

Economic Forecasts

1/2/2026	Q4 2025E	2025E	Q1 2026E	Q2 2026E	Q3 2026E	Q4 2026E	2026E
Real global GDP (% y/y annualized)	-	3.4	-	-	-	-	3.3
Real U.S. GDP (% q/q annualized)	1.4	2.0	2.5	2.8	2.3	2.0	2.4
CPI inflation (% y/y)	3.0	2.8	2.9	3.0	2.9	2.6	2.9
Core CPI inflation (% y/y)	3.0	3.0	2.9	3.1	2.9	2.8	2.9
Unemployment rate (%)	4.5	4.3	4.5	4.5	4.4	4.3	4.5
Fed funds rate, end period (%)	3.63	3.63	3.63	3.38	3.13	3.13	3.13

- Consumer spending growth remains firm as unemployment claims remain low, job openings are comfortable relative to unemployment, wage and salary growth has remained solid, and tariff uncertainty faded. GDP growth is tracking over 3% helped by strong consumer and business investment spending.
- Core personal consumption expenditures inflation has been stuck in a 2.5% to 3% range for over a year. Well-contained energy prices and housing price disinflation are helping to offset upward pressure from higher tariffs.
- Corporate profits are coming in strong fueled by the boom in AI spending and a pickup in global economic growth. Despite inching slightly lower, domestic profit margins remain around a 60-year high. The profit cycle is likely to be extended by tailwinds from fiscal stimulus and deregulation, all supportive of economic growth and risk assets. Equity market leadership, tight credit spreads, normalized volatility and a softening dollar from overvalued levels suggest solid growth ahead.

The forecasts in the table above are the base line view from BofA Global Research team. The Global Wealth & Investment Management (GWIM) Investment Strategy Committee (ISC) may make adjustments to this view over the course of the year and can express upside/downside to these forecasts. A=Actual. E/*=Estimate. Data as of January 2, 2026. Sources: BofA Global Research; GWIM ISC as of January 6, 2026. **FOR INFORMATIONAL PURPOSES ONLY.** BofA Global Research is research produced by BofA Securities, Inc. ("BofAS") and/or one or more of its affiliates. BofAS is a registered broker-dealer, Member SIPC, and wholly owned subsidiary of Bank of America Corporation. There can be no assurance that the forecasts will be achieved. There is no guarantee that this trend will continue. **Please refer to appendix for glossary and important disclosures.**

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Historical Asset Class Performance: Key Market Index Returns 2016 – 2025, Highest to Lowest

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
US Small cap Value 31.74%	Emerging Markets 37.28%	International Fixed Income 3.17%	US Large cap Growth 36.39%	US Large cap Growth 38.49%	US Small cap Value 28.27%	Inflation 6.45%	US Large cap Growth 42.68%	US Large cap Growth 33.36%	Emerging Markets 33.57%
High Yield Fixed Income 17.34%	US Large cap Growth 30.21%	Cash 1.87%	US Small cap Growth 28.48%	US Small cap Growth 34.63%	US Large cap Growth 27.60%	Cash 1.46%	US Small cap Growth 18.66%	US Small cap Growth 15.15%	International Equity 31.85%
US Large cap Value 17.34%	International Equity 24.21%	Inflation 1.68%	US Large cap Value 26.54%	Emerging Markets 18.31%	US Large cap Value 25.16%	US Large cap Value -7.54%	International Equity 17.94%	US Large cap Value 14.37%	US Large cap Growth 18.56%
US Small cap Growth 11.32%	US Small cap Growth 22.17%	US Mortgage Backed 1.00%	International Equity 22.49%	60/40% Allocations 12.76%	International Equity 12.62%	High Yield Fixed Income -11.10%	60/40% Allocations 15.53%	60/40% Allocations 10.85%	60/40% Allocations 16.32%
Emerging Markets 11.19%	60/40% Allocations 15.80%	U.S. Government & Quasi 0.83%	US Small cap Value 22.39%	US Corporates 9.81%	60/40% Allocations 10.51%	US Mortgage Backed -11.88%	US Small cap Value 14.65%	US Small cap Value 8.05%	US Large cap Value 15.91%
US Large cap Growth 7.08%	US Large cap Value 13.66%	US Large cap Growth -1.51%	60/40% Allocations 19.45%	U.S. Government & Quasi 8.16%	Inflation 7.04%	International Fixed Income -11.89%	High Yield Fixed Income 13.40%	High Yield Fixed Income 8.04%	US Small cap Growth 13.01%
US Corporates 5.96%	US Small cap Value 7.84%	US Corporates -2.25%	Emerging Markets 18.42%	International Equity 7.59%	High Yield Fixed Income 5.29%	U.S. Government & Quasi -12.74%	US Large cap Value 11.46%	Emerging Markets 7.50%	US Small cap Value 12.59%
60/40% Allocations 5.78%	High Yield Fixed Income 7.48%	High Yield Fixed Income -2.26%	High Yield Fixed Income 14.40%	High Yield Fixed Income 6.20%	US Small cap Growth 2.83%	International Equity -14.29%	Emerging Markets 9.83%	Cash 5.24%	High Yield Fixed Income 8.55%
International Fixed Income 5.19%	US Corporates 6.48%	60/40% Allocations -5.64%	US Corporates 14.23%	US Small cap Value 4.63%	Cash 0.05%	US Small cap Value -14.48%	US Corporates 8.40%	International Equity 4.70%	US Mortgage Backed 8.33%
International Equity 2.75%	International Fixed Income 2.51%	US Large cap Value -8.27%	International Fixed Income 7.57%	International Fixed Income 4.20%	US Corporates -0.95%	US Corporates -15.44%	International Fixed Income 8.16%	International Fixed Income 3.43%	US Corporates 7.78%
Inflation 2.07%	US Mortgage Backed 2.45%	US Small cap Growth -9.31%	U.S. Government & Quasi 6.95%	US Mortgage Backed 4.09%	US Mortgage Backed -1.21%	60/40% Allocations -16.22%	US Mortgage Backed 4.98%	Inflation 2.89%	U.S. Government & Quasi 6.19%
US Mortgage Backed 1.67%	U.S. Government & Quasi 2.42%	US Small cap Value -12.86%	US Mortgage Backed 6.51%	US Large cap Value 2.80%	International Fixed Income -1.67%	Emerging Markets -20.09%	Cash 4.95%	US Corporates 2.76%	Cash 4.26%
U.S. Government & Quasi 1.15%	Inflation 2.24%	International Equity -14.09%	Inflation 2.29%	Inflation 1.30%	U.S. Government & Quasi -2.33%	US Small cap Growth -26.36%	U.S. Government & Quasi 3.89%	US Mortgage Backed 1.33%	*Inflation 2.91%
Cash 0.33%	Cash 0.86%	Emerging Markets -14.58%	Cash 2.28%	Cash 0.67%	Emerging Markets -2.54%	US Large cap Growth -29.14%	Inflation 3.35%	U.S. Government & Quasi 0.55%	International Fixed Income 2.49%

Indexes referenced: Inflation = IA SBBI US Inflation, Cash = ICE BofA US 1 Month Treasury Bill, Emerging Markets = MSCI Daily Emerging Markets, 60/40% Allocations = 60/40% Allocations is a blend of 60% MSCI ACWI and 40% Bloomberg US Aggregate Bond, US Large Cap Growth = Russell 1000 Growth, US Large Cap Value = Russell 1000 Value, US Small Cap Growth = Russell 2000 Growth, US Small Cap Value = Russell 2000 Value, International Equity - MSCI Daily World Ex US, U.S. Government & Quasi Government = ICE BofA U.S. Treasury/Agency Index; U.S. Mortgage Backed = ICE BofA Mortgage Index, U.S. Corporates = ICE BofA U.S. Corporates Index, High Yield = ICE BofA U.S. High Yield Index, International Fixed Income = ICE BofA Global Broad Market Index ex USD. Total Returns referenced. Source: Morningstar Direct & CIA System. Income and dividends are included in all returns figures. Excludes alternative investments. 60/40% Allocations is a blend of 60% MSCI ACWI and 40% Bloomberg US Aggregate Bond. Performance of 60/40% Allocations is intended to illustrate the effect of asset allocation and diversification. It is not an advertisement or representation of any investment advisory products or services offered by Merrill. **FOR INFORMATIONAL PURPOSES ONLY. Data as of December 31, 2025. *Data as of September 30, 2025. Results shown are based on an index and are illustrative; they assume reinvestment of income and no transaction costs or taxes. Indexes are unmanaged. Direct investment cannot be made in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class and sector proxies, methodology and important disclosures.**

U.S.- Oriented Investor

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Historical Asset Class Volatility: Annualized Standard Deviations of Key Asset Classes 2016 – 2025, Highest to Lowest

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
US Small cap Growth 18.40%	US Small cap Value 9.27%	US Small cap Growth 20.17%	US Small cap Growth 17.57%	US Small cap Value 37.31%	US Large cap Growth 13.16%	US Small cap Growth 25.56%	US Small cap Value 24.02%	US Small cap Growth 20.95%	US Large cap Growth 15.57%
US Small cap Value 17.05%	Emerging Markets 6.26%	US Small cap Value 17.23%	US Small cap Value 17.49%	US Small cap Growth 32.98%	US Small cap Value 12.96%	US Large cap Growth 24.81%	US Small cap Growth 22.85%	US Small cap Value 20.61%	US Small cap Growth 15.56%
Emerging Markets 17.02%	US Small cap Growth 5.71%	US Large cap Growth 16.69%	Emerging Markets 15.75%	US Large cap Value 27.59%	US Small cap Growth 12.46%	US Small cap Value 24.65%	Emerging Markets 17.32%	US Large cap Value 13.21%	US Small cap Value 13.65%
International Equity 12.57%	US Large cap Value 5.20%	Emerging Markets 14.79%	US Large cap Value 12.94%	International Equity 25.77%	US Large cap Value 12.00%	Emerging Markets 20.70%	International Equity 16.53%	Emerging Markets 11.88%	Emerging Markets 8.68%
US Large cap Value 10.65%	US Large cap Growth 4.38%	US Large cap Value 13.50%	US Large cap Growth 12.84%	US Large cap Growth 25.44%	Emerging Markets 10.61%	International Equity 20.43%	US Large cap Growth 15.89%	US Large cap Growth 11.80%	US Large cap Value 7.99%
US Large cap Growth 10.55%	International Equity 3.72%	International Equity 11.84%	International Equity 11.14%	Emerging Markets 24.95%	International Equity 9.60%	US Large cap Value 20.35%	US Large cap Value 14.95%	International Equity 9.60%	International Equity 6.85%
60/40% Allocations 6.44%	High Yield Fixed Income 2.11%	60/40% Allocations 7.57%	60/40% Allocations 7.06%	High Yield Fixed Income 14.70%	60/40% Allocations 5.91%	60/40% Allocations 14.47%	60/40% Allocations 12.01%	60/40% Allocations 7.10%	60/40% Allocations 5.19%
High Yield Fixed Income 5.76%	International Fixed Income 2.07%	U.S. Government & Quasi 3.52%	High Yield Fixed Income 4.90%	60/40% Allocations 14.65%	US Corporates 3.82%	High Yield Fixed Income 11.38%	US Corporates 9.21%	US Mortgage Backed 6.43%	US Mortgage Backed 3.18%
US Corporates 4.72%	60/40% Allocations 1.77%	High Yield Fixed Income 3.49%	U.S. Government & Quasi 4.55%	US Corporates 10.42%	U.S. Government & Quasi 3.62%	US Corporates 9.98%	US Mortgage Backed 8.82%	US Corporates 5.70%	U.S. Government & Quasi 2.90%
U.S. Government & Quasi 4.42%	U.S. Government & Quasi 1.71%	US Corporates 3.00%	US Corporates 3.72%	U.S. Government & Quasi 4.79%	International Fixed Income 2.94%	US Mortgage Backed 9.01%	U.S. Government & Quasi 7.33%	U.S. Government & Quasi 5.34%	High Yield Fixed Income 2.66%
International Fixed Income 3.19%	US Corporates 1.67%	US Mortgage Backed 2.87%	International Fixed Income 3.17%	International Fixed Income 3.46%	High Yield Fixed Income 2.52%	U.S. Government & Quasi 6.50%	High Yield Fixed Income 6.94%	High Yield Fixed Income 3.21%	US Corporates 2.64%
US Mortgage Backed 2.33%	US Mortgage Backed 1.28%	International Fixed Income 1.56%	US Mortgage Backed 1.82%	US Mortgage Backed 1.42%	US Mortgage Backed 1.32%	International Fixed Income 6.32%	International Fixed Income 4.80%	International Fixed Income 3.17%	International Fixed Income 2.21%
Inflation 0.70%	Inflation 0.72%	Inflation 0.96%	Inflation 0.73%	Inflation 1.12%	Inflation 0.81%	Inflation 1.94%	Inflation 0.96%	Inflation 0.81%	*Inflation 0.74%
Cash 0.05%	Cash 0.09%	Cash 0.10%	Cash 0.10%	Cash 0.30%	Cash 0.01%	Cash 0.43%	Cash 0.17%	Cash 0.13%	Cash 0.08%

Indexes referenced: Inflation = IA SBBI US Inflation, Cash = ICE BofA US 1 Month Treasury Bill, Emerging Markets = MSCI Daily Emerging Markets, 60/40% Allocations = 60/40% Allocations is a blend of 60% MSCI ACWI and 40% Bloomberg US Aggregate Bond, US Large Cap Growth = Russell 1000 Growth, US Large Cap Value = Russell 1000 Value, US Small Cap Growth = Russell 2000 Growth, US Small Cap Value = Russell 2000 Value, International Equity - MSCI Daily World Ex US, U.S. Government & Quasi Government = ICE BofA U.S. Treasury/Agency Index; U.S. Mortgage Backed = ICE BofA Mortgage Index, U.S. Corporates = ICE BofA U.S. Corporates Index, High Yield = ICE BofA U.S. High Yield Index, International Fixed Income = ICE BofA Global Broad Market Index ex USD. Total Returns referenced. Source: Morningstar Direct & CIA System. 60/40% Allocations is a blend of 60% MSCI ACWI USD and 40% Bloomberg US Aggregate Bond USD. Performance of 60/40% Allocations is intended to illustrate the effect of asset allocation and diversification. It is not an advertisement or representation of any investment advisory products or services offered by Merrill. Standard deviation is a statistical measurement of the range of an asset class's total returns over the respective calendar years. In general, a higher standard deviation means greater volatility. All volatility figures are based on monthly returns. **FOR INFORMATIONAL PURPOSES ONLY. Data as of December 31, 2025. *Data as of November 30, 2025. Results shown are based on an index and are illustrative. Indexes are unmanaged. Direct investment cannot be made in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class and sector proxies, methodology and important disclosures.**

U.S. Equities

Historical Sector Performance

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2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Real Estate 41.48%	Energy 34.40%	Cons Staples -15.43%	Technology 61.72%	Real Estate 32.32%	Utilities 19.91%	Financials 28.81%	Cons Disc 43.08%	Real Estate 30.19%	Cons Disc 10.11%	Energy 27.36%	Technology 38.83%	Health Care 6.47%	Technology 50.29%	Technology 43.89%	Energy 54.64%	Energy 65.72%	Technology 57.84%	Comm Svcs 40.23%	Comm Svcs 33.55%
Comm Svcs 36.80%	Materials 22.53%	Health Care -22.81%	Materials 48.59%	Cons Disc 27.66%	Cons Staples 13.99%	Cons Disc 23.92%	Health Care 41.46%	Utilities 28.98%	Health Care 6.89%	Comm Svcs 23.48%	Materials 23.84%	Utilities 4.11%	Comm Svcs 32.69%	Cons Disc 33.30%	Real Estate 46.19%	Utilities 1.57%	Comm Svcs 55.80%	Technology 36.61%	Technology 24.04%
Energy 24.21%	Utilities 19.38%	Utilities -28.98%	Cons Disc 41.31%	Industrials 26.73%	Health Care 12.73%	Real Estate 19.74%	Industrials 40.68%	Health Care 25.34%	Cons Staples 6.60%	Financials 22.80%	Cons Disc 22.98%	Cons Disc 0.83%	Financials 32.13%	Comm Svcs 23.61%	Financials 35.04%	Cons Staples -0.62%	Cons Disc 42.41%	Financials 30.56%	Industrials 19.42%
Utilities 20.99%	Technology 16.31%	Comm Svcs -30.49%	Real Estate 27.10%	Materials 22.20%	Real Estate 11.39%	Comm Svcs 18.31%	Financials 35.63%	Technology 20.12%	Technology 5.92%	Industrials 18.86%	Financials 22.18%	Technology -0.29%	Industrials 29.37%	Materials 20.73%	Technology 34.53%	Health Care -1.95%	Industrials 18.13%	Cons Disc 30.14%	Utilities 16.04%
Financials 19.19%	Cons Staples 14.18%	Cons Disc -33.49%	Industrials 20.93%	Energy 20.46%	Comm Svcs 6.26%	Health Care 17.89%	Technology 28.43%	Cons Staples 15.98%	Real Estate 4.68%	Materials 16.69%	Health Care 22.08%	Real Estate -2.22%	Real Estate 29.01%	Health Care 13.45%	Materials 27.28%	Industrials -5.48%	Materials 12.55%	Utilities 23.43%	Financials 15.02%
Cons Disc 18.64%	Industrials 12.03%	Energy -34.87%	Health Care 19.70%	Comm Svcs 18.97%	Cons Disc 6.13%	Industrials 15.35%	Cons Staples 26.14%	Financials 15.20%	Comm Svcs 3.40%	Utilities 16.28%	Industrials 21.03%	Cons Staples -8.38%	Cons Disc 27.94%	Industrials 11.06%	Health Care 26.13%	Financials -10.53%	Real Estate 12.36%	Industrials 17.47%	Health Care 14.60%
Materials 18.63%	Comm Svcs 11.95%	Industrials -39.92%	Financials 17.22%	Cons Staples 14.11%	Energy 4.72%	Materials 14.97%	Materials 25.60%	Industrials 9.83%	Financials -1.53%	Technology 13.85%	Cons Staples 13.49%	Comm Svcs -12.53%	Cons Staples 27.61%	Cons Staples 10.75%	Cons Disc 24.43%	Materials -12.27%	Financials 12.15%	Cons Staples 14.87%	Materials 10.54%
Cons Staples 14.36%	Health Care 7.15%	Real Estate -42.31%	Cons Staples 14.89%	Financials 12.13%	Technology 2.41%	Technology 14.82%	Energy 25.07%	Cons Disc 9.68%	Industrials -2.53%	Cons Disc 6.03%	Utilities 12.11%	Financials -13.03%	Utilities 26.35%	Utilities 0.48%	Comm Svcs 21.57%	Real Estate -26.13%	Health Care 2.06%	Energy 5.72%	Energy 8.68%
Industrials 13.29%	Cons Disc -13.21%	Technology -43.14%	Energy 13.82%	Technology 10.19%	Industrials -0.59%	Cons Staples 10.76%	Utilities 13.21%	Materials 6.91%	Utilities -4.84%	Cons Staples 5.38%	Real Estate 10.85%	Industrials -13.29%	Materials 24.58%	Financials -1.69%	Industrials 21.12%	Technology -28.19%	Cons Staples 0.52%	Real Estate 5.23%	Cons Disc 6.04%
Technology 8.42%	Real Estate -17.85%	Materials -45.66%	Utilities 11.91%	Utilities 5.46%	Materials -9.75%	Energy 4.61%	Comm Svcs 11.47%	Comm Svcs 2.99%	Materials -8.38%	Real Estate 3.39%	Energy -1.01%	Materials -14.70%	Health Care 20.82%	Real Estate -2.17%	Cons Staples 18.63%	Cons Disc -37.03%	Energy -1.33%	Health Care 2.58%	Cons Staples 3.90%
Health Care 7.53%	Financials -18.63%	Financials -55.32%	Comm Svcs 8.93%	Health Care 2.90%	Financials -17.06%	Utilities 1.29%	Real Estate 1.60%	Energy -7.78%	Energy -21.12%	Health Care -2.69%	Comm Svcs -1.25%	Energy -18.10%	Energy 11.81%	Energy -33.68%	Utilities 17.67%	Comm Svcs -39.89%	Utilities -7.08%	Materials -0.04%	Real Estate 3.15%

Source: Morningstar Direct. U.S. equities represented by the S&P 500 Index GICS sectors. Returns calculated are total returns. **FOR INFORMATIONAL PURPOSES ONLY.** Data as of December 31, 2025. Results shown are based on an index and are illustrative; they assume reinvestment of income and no transaction costs or taxes. Indexes are unmanaged. **Direct investment cannot be made in an index. Past performance is no guarantee of future results. Please refer to appendix for asset class and sector proxies and important disclosures.**

Globally-Oriented Investor

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Historical Asset Class Performance: Key Market Index Returns 2016 – 2025, Highest to Lowest

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Global HY / EM 14.74%	Emerging Markets 37.28%	Global Governments 2.56%	North America 30.70%	North America 19.94%	North America 26.44%	Inflation 6.45%	North America 25.96%	North America 24.03%	Developed Europe ex-UK 35.52%
North America 11.57%	Developed Europe ex-UK 26.82%	Cash 1.87%	Developed Europe ex-UK 24.81%	Emerging Markets 18.31%	United Kingdom 18.50%	Cash 1.46%	Developed Europe ex-UK 21.69%	60/40% Allocations 10.85%	United Kingdom 35.11%
Emerging Markets 11.19%	Developed Asia Pacific ex-Japan 25.88%	Inflation 1.68%	United Kingdom 21.05%	Japan 14.48%	Developed Europe ex-UK 15.66%	United Kingdom -4.84%	Japan 20.32%	Global HY / EM 8.82%	Emerging Markets 33.57%
Developed Asia Pacific ex-Japan 7.85%	Japan 23.99%	Global Mortgage 1.35%	Japan 19.61%	60/40% Allocations 12.76%	60/40% Allocations 10.51%	Developed Asia Pacific ex-Japan -5.94%	60/40% Allocations 15.53%	Japan 8.31%	Japan 24.60%
Global Corporates 6.08%	United Kingdom 22.30%	Global Corporates -0.87%	60/40% Allocations 19.45%	Developed Europe ex-UK 10.91%	Inflation 7.04%	Global Mortgage -11.36%	United Kingdom 14.09%	United Kingdom 7.54%	Developed Asia Pacific ex-Japan 20.62%
60/40% Allocations 5.78%	North America 20.89%	Global HY / EM -3.83%	Emerging Markets 18.42%	Global Corporates 8.15%	Developed Asia Pacific ex-Japan 4.68%	Global Governments -12.37%	Global HY / EM 13.66%	Emerging Markets 7.50%	North America 18.06%
Global Governments 3.70%	60/40% Allocations 15.80%	60/40% Allocations -5.64%	Developed Asia Pacific ex-Japan 18.36%	Global HY / EM 7.02%	Japan 1.71%	Global HY / EM -12.79%	Emerging Markets 9.83%	Cash 5.24%	60/40% Allocations 16.32%
Japan 2.38%	Global HY / EM 10.49%	North America -5.73%	Global HY / EM 13.10%	Developed Asia Pacific ex-Japan 6.55%	Global HY / EM 0.80%	Global Corporates -14.06%	Global Corporates 8.98%	Developed Asia Pacific ex-Japan 4.59%	Global HY / EM 11.57%
Global Mortgage 2.21%	Global Corporates 5.77%	Developed Asia Pacific ex-Japan -10.30%	Global Corporates 12.51%	Global Governments 5.62%	Cash 0.05%	60/40% Allocations -16.22%	Developed Asia Pacific ex-Japan 6.44%	Global Corporates 3.98%	Global Mortgage 7.63%
Inflation 2.07%	Global Mortgage 2.56%	Japan -12.88%	Global Governments 7.34%	Global Mortgage 4.15%	Global Corporates -0.76%	Japan -16.65%	Global Governments 6.15%	Inflation 2.89%	Global Corporates 6.94%
Cash 0.33%	Global Governments 2.35%	United Kingdom -14.15%	Global Mortgage 6.48%	Cash 1.61%	Global Mortgage -1.06%	Developed Europe ex-UK -17.96%	Global Mortgage 5.47%	Global Mortgage 2.38%	Cash 4.26%
United Kingdom -0.10%	Inflation 2.24%	Emerging Markets -14.58%	Inflation 2.29%	Inflation 1.30%	Global Governments -2.01%	North America -19.53%	Cash 4.95%	Global Governments 1.83%	Global Governments 3.82%
Developed Europe ex-UK -0.56%	Cash 0.86%	Developed Europe ex-UK -15.14%	Cash 2.28%	United Kingdom -10.47%	Emerging Markets -2.54%	Emerging Markets -20.09%	Inflation 3.35%	Developed Europe ex-UK 0.15%	*Inflation 2.91%

Indexes referenced: Inflation = IA SBBI US Inflation, Cash = ICE BofA US 1 Month Treasury Bill, Emerging Markets = MSCI Daily Emerging Markets, 60/40% Allocations = 60/40% Allocations is a blend of 60% MSCI ACWI and 40% Bloomberg US Aggregate Bond, North America = MSCI Daily North America Index; Developed Europe ex-UK = MSCI Daily Europe ex UK Index; UK = MSCI Daily UK, Japan = MSCI Daily Japan Index, Developed Asia Pacific ex-Japan = MSCI Daily Asia Pacific Ex Japan Index, Global Governments = ICE BofA Global Govt Bond + Large Cap Quasi Govt Index (Hedged), Global Corporates = ICE BofA Global Broad Market Corporate Index Hedged, Global Mortgages = ICE BofA Global Collateralized Index Hedged, Global HY / EM = ICE BofA Global HY Country External Corp & Govt + ICE BofA Global HY (Unhedged). Net Total Returns referenced for international equity indices. Source: Morningstar Direct & CIA System. Income and dividends are included in all returns figures. 60/40% Allocations is a blend of 60% MSCI ACWI USD and 40% Bloomberg US Aggregate Bond USD. Performance of 60/40% Allocations is intended to illustrate the effect of asset allocation and diversification. It is not an advertisement or representation of any investment advisory products or services offered by Merrill. **FOR INFORMATIONAL PURPOSES ONLY. Data as of December 31, 2025. *Data as of September 30, 2025. Results shown are based on an index and are illustrative; they assume reinvestment of income and no transaction costs or taxes. Indexes are unmanaged. Direct investment cannot be made in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class and sector proxies, methodology and important disclosures.**

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Globally-Oriented Investor

Historical Asset Class Volatility: Annualized Standard Deviations of Key Asset Classes 2016 – 2025, Highest to Lowest

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Emerging Markets 17.02%	Developed Asia Pacific ex-Japan 6.80%	Emerging Markets 14.79%	Emerging Markets 15.75%	Developed Asia Pacific ex-Japan 31.34%	Developed Europe ex-UK 12.83%	Developed Asia Pacific ex-Japan 23.17%	Developed Asia Pacific ex-Japan 19.41%	Developed Asia Pacific ex-Japan 13.57%	North America 10.64%
Developed Asia Pacific ex-Japan 16.77%	United Kingdom 6.78%	North America 14.49%	United Kingdom 13.23%	United Kingdom 28.53%	United Kingdom 11.79%	Developed Europe ex-UK 22.63%	Developed Europe ex-UK 18.38%	Emerging Markets 11.88%	Developed Europe ex-UK 8.85%
Developed Europe ex-UK 14.12%	Developed Europe ex-UK 6.72%	Developed Europe ex-UK 13.75%	North America 12.50%	Developed Europe ex-UK 27.18%	Emerging Markets 10.61%	North America 21.94%	Emerging Markets 17.32%	Developed Europe ex-UK 11.24%	Japan 8.78%
Japan 13.37%	Emerging Markets 6.26%	Japan 12.13%	Developed Europe ex-UK 11.99%	North America 25.79%	North America 10.48%	Emerging Markets 20.70%	United Kingdom 14.93%	Japan 10.45%	Developed Asia Pacific ex-Japan 8.71%
United Kingdom 11.75%	Japan 5.05%	Developed Asia Pacific ex-Japan 11.97%	Developed Asia Pacific ex-Japan 11.92%	Emerging Markets 24.95%	Developed Asia Pacific ex-Japan 10.45%	Japan 19.93%	North America 14.57%	North America 10.30%	Emerging Markets 8.68%
North America 10.00%	North America 3.47%	United Kingdom 11.92%	Japan 9.29%	Japan 20.43%	Japan 6.96%	United Kingdom 19.17%	Japan 13.76%	United Kingdom 10.23%	60/40% Allocations 5.19%
Global HY / EM 6.45%	Global HY / EM 2.24%	60/40% Allocations 7.57%	60/40% Allocations 7.06%	Global HY / EM 17.33%	60/40% Allocations 5.91%	60/40% Allocations 14.47%	60/40% Allocations 12.01%	60/40% Allocations 7.10%	United Kingdom 5.07%
60/40% Allocations 6.44%	Global Governments 1.78%	Global HY / EM 3.98%	Global HY / EM 5.49%	60/40% Allocations 14.65%	Global HY / EM 3.77%	Global HY / EM 12.00%	Global HY / EM 7.86%	Global Mortgage 5.43%	Global Mortgage 2.57%
Global Corporates 3.97%	60/40% Allocations 1.77%	Global Mortgage 2.46%	Global Governments 3.68%	Global Corporates 9.29%	Global Governments 3.17%	Global Corporates 8.93%	Global Mortgage 7.54%	Global Corporates 4.61%	Global HY / EM 2.25%
Global Governments 3.74%	Global Corporates 1.64%	Global Governments 2.19%	Global Corporates 3.06%	Global Governments 2.71%	Global Corporates 2.95%	Global Mortgage 8.06%	Global Corporates 7.41%	Global Governments 4.03%	Global Governments 2.22%
Global Mortgage 2.22%	Global Mortgage 1.23%	Global Corporates 2.13%	Global Mortgage 1.83%	Global Mortgage 1.21%	Global Mortgage 1.30%	Global Governments 5.94%	Global Governments 5.97%	Global HY / EM 3.59%	Global Corporates 1.96%
Inflation 0.70%	Inflation 0.72%	Inflation 0.96%	Inflation 0.73%	Inflation 1.12%	Inflation 0.81%	Inflation 1.94%	Inflation 0.96%	Inflation 0.81%	*Inflation 0.74%
Cash 0.05%	Cash 0.09%	Cash 0.10%	Cash 0.10%	Cash 0.30%	Cash 0.01%	Cash 0.43%	Cash 0.17%	Cash 0.13%	Cash 0.08%

Indexes referenced: Inflation = IA SBBI US Inflation, Cash = ICE BofA US 1 Month Treasury Bill, Emerging Markets = MSCI Daily Emerging Markets, 60/40% Allocations = 60/40% Allocations is a blend of 60% MSCI ACWI and 40% Bloomberg US Aggregate Bond, North America = MSCI Daily North America Index; Developed Europe ex-UK = MSCI Daily Europe ex UK Index; UK = MSCI Daily UK, Japan = MSCI Daily Japan Index, Developed Asia Pacific ex-Japan = MSCI Daily Asia Pacific Ex Japan Index, Global Governments = ICE BofA Global Govt Bond + Large Cap Quasi Govt Index (Hedged), Global Corporates = ICE BofA Global Broad Market Corporate Index Hedged, Global Mortgages = ICE BofA Global Collateralized Index Hedged, Global HY / EM = ICE BofA Global HY Country External Corp & Govt + ICE BofA Global HY (Unhedged). Net Total Returns referenced for international equity indices. Source: Morningstar Direct & CIA System. 60/40% Allocations is a blend of 60% MSCI ACWI USD and 40% Bloomberg US Aggregate Bond USD. Performance of 60/40% Allocations is intended to illustrate the effect of asset allocation and diversification. It is not an advertisement or representation of any investment advisory products or services offered by Merrill. Standard deviation is a statistical measurement of the range of an asset class's total returns over the respective calendar years. In general, a higher standard deviation means greater volatility. All volatility figures are based on monthly returns. **FOR INFORMATIONAL PURPOSES ONLY. Data as of December 31, 2025. *Data as of November 30, 2025. Results shown are based on an index and are illustrative. Indexes are unmanaged. Direct investment cannot be made in an index. Past performance is no guarantee of future results. Please refer to appendix for glossary, asset class and sector proxies, methodology and important disclosures.**

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Appendix

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Glossary

Alpha is a measure of the active return on an investment, the performance of that investment compared with a suitable market index.

Capital Expenditures (CapEx) is money spent by a business or organization on acquiring or maintaining fixed assets, such as land, buildings, and equipment.

Dividend is the distribution of some of a company's earnings to a class of its shareholders, as determined by the company's board of directors.

Dry Powder in finance refers to readily available cash or liquid assets (like Treasuries) that investors (especially Private Equity/VC firms) hold, ready to be deployed for new investments, acquisitions, or opportunities, much like keeping gunpowder dry for battle; it signifies preparedness and strategic advantage, though too much can pressure risky investing.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) is a measure of a company's overall financial performance and is used as an alternative to net income in some circumstances.

Earnings Per Share (EPS) Growth is an illustration of the growth of earnings per share over time, this profitability metric is often depicted in a year-over-year fashion.

Emerging Market is a country that is progressing toward becoming advanced, as shown by some liquidity in local debt and Equity markets and the existence of some form of market exchange and regulatory body.

Equity Risk Premium is an equal to the difference between the rate of return received from riskier Equity investments (e.g. S&P 500) and the return of risk-free securities.

Equal Weighted is a proportional measure that gives the same importance to each stock in a portfolio or index fund, regardless of a company's size.

Factor Investing is an investment strategy that tends to target specific drivers of asset class returns (such as earnings growth, for example) while also often enhancing diversification and reducing volatility.

GDP - Nominal: Gross Domestic Product (GDP) equals the total income of everyone in the economy or the total expenditure on the economy's good and services. GDP includes only the value of final goods and services. Nominal GDP measures the value of goods and services at current dollar prices.

Growth is a style of investment strategy focused on capital appreciation. Those who follow this style, known as growth investors, invest in companies that exhibit signs of above-average growth, even if the share price appears expensive.

High Yield Leverage Debt is a bank loan to a company that has a large amount of debt.

Inflation refers to a general progressive increase in prices of goods and services in an economy.

Internal rate of return (IRR) represents the rate at which a historical series of cash flows are discounted so that the net present value of the cash flows equals zero. For pooled calculations, any remaining unrealized value in the fund is treated as a distribution in the most recent reporting period.

Momentum Investing is a system of buying stocks or other securities that have had high returns over the past three to twelve months, and selling those that have had poor returns over the same period.

Net Buyback is the repurchase of outstanding shares over the existing market cap of a company.

Net Total Return (NTR) reflects the price performance, plus the net amount of all special and regular dividends after applying an assumed foreign tax withholding rate.

Option-adjusted spread (OAS) is the measurement of the spread of a fixed-income security rate and the risk-free rate of return, which is then adjusted to take into account an embedded option.

Price/Earnings (P/E) Ratio is the ratio of the price of a stock and the company's earnings per share, this valuation metric is often quoted on a forward twelve month or trailing twelve month basis.

Price-to-Book Ratio compares a company's market value to its book value.

Price–to-sales (P/S) Ratio is a valuation metric for stocks. It is calculated by dividing the company's market capitalization by the revenue in the most recent year; or, equivalently, divide the per-share stock price by the per-share revenue.

Price Return (PR) reflects the price performance of the index but excludes the value of regular dividends.

Quality Investing is an investment strategy based on a set of clearly defined fundamental criteria that seeks to identify companies with outstanding quality.

Real GDP is an inflation-adjusted measure of the value of all goods and services produced in an economy.

Redemption is the return of an investor's principal on a fixed income security such as a bond, mutual fund or preferred stock.

Standard Deviation is a statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution.

Spread is the difference between the bid and ask price or between the high and low price. For securities, it refers to the difference in yield on different securities.

Total Return (TR) reflects the price performance, plus the full value of all dividends, both special and regular.

Unemployment Rate represents the number of unemployed people as a percentage of the labor force (the labor force is the sum of the employed and unemployed).

Valuation is a financial assessment of the worth of an item.

Value is an investment strategy that involves picking stocks that appear to be trading for less than their intrinsic or book value.

World Trade Volume measures the difference between the movement of merchandise trade leaving a country (exports) and entering a country (imports).

Yield Curve is a curve on a graph in which the yield of fixed-interest securities is plotted against the length of time they have to run to maturity.

Z-score is a statistical measure that quantifies the distance (measured in standard deviations) a data point is from the mean of a data set.

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Asset Class and Sector Proxies

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Securities indexes assume reinvestment of all distributions and interest payments. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Indexes are all based in U.S. dollars.

Inflation/IA SBBI U.S. Inflation Index measures the performance of U.S. inflation (not seasonally adjusted) which is the rate of change of consumer goods prices. The data is from Bureau of Labor Statistics. The value of the current month CPI is estimated by the average value of the previous two months CPI.
Inflation/Consumer Price Index (CPI) is a measure of the average change overtime in the prices paid by urban consumers for a market basket of consumer goods and services.
Core Inflation/Core Consumer Price Index includes CPI for all items less food and energy.
Inflation/Personal Consumption Expenditures (PCE) Price Index reflects changes in the prices of goods and services purchased by consumers in the United States.
Core Inflation/Core PCE Price Index includes PCE Price Index for all items less food and energy.
Cash/ICE BofA U.S. 3-month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. In order to qualify for inclusion, securities must be auctioned on or before the third business day before the last business day of the month and settle before the following calendar month end.
Cash/ICE US 1-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not less than, one month from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date.

EQUITY

Developed Asia Pacific ex-Japan/MSCI AC Asia Pacific Ex Japan Index captures large and mid cap representation across 4 of 5 Developed Markets countries (excluding Japan) and 9 Emerging Markets countries in the Asia Pacific region. With 1,009 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
Developed Europe ex-UK/ MSCI Europe Ex UK Index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe. With 331 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.
Emerging Markets/MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets countries. With 1,196 constituents, the index covers approximately 85% of the free float adjusted market capitalization in each country.
Europe/MSCI Europe Index captures large and mid-cap representation across 15 Developed Markets (DM) countries in Europe. With 402 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across the European Developed Markets equity universe.
Global Equities/MSCI ACWI Index captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. With 2,517 constituents, the index covers approximately 85% of the global investable equity opportunity set.
International Equity/MSCI World Ex USA Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries, excluding the United States. With 777 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
Japan/MSCI Japan Index designed to measure the performance of the large and mid cap segments of the Japanese market. With 182 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.
North America/MSCI North America Index is designed to measure the performance of the large and mid cap segments of the U.S. and Canada markets. With 627 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the U.S. and Canada.
U.S. Large-cap Growth/Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years).
U.S. Large-cap Value/Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. Equity universe. It includes those Russell 1000 companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth and lower sales per share historical growth (5 years).
U.S. Mid Cap/Russell Midcap Index measures the performance of the mid-cap segment of the U.S. Equity universe. The Russell Midcap Index is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership.
U.S. Small cap Growth/Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. Equity universe. It includes those Russell 2000 companies with higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years).
U.S. Small-cap Value/Russell 2000 Value Index measures the performance of the small-cap value segment of the U.S. Equity universe. It includes those Russell 2000 companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth and lower sales per share historical growth (5 years).
United Kingdom (UK)/MSCI United Kingdom Index is designed to measure the performance of the large and mid cap segments of the UK market. With 72 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the UK.

SECTORS

S&P 500 sub-sectors and industry groups refer to Global Industry Classification Standard (GICS®) is an industry analysis framework that helps investors understand the key business activities for companies around the world, developed by MSCI and S&P Dow Jones Indices. The GICS structure consists of 11 Sectors, 25 Industry groups, 74 Industries and 163 sub-industries.

FIXED INCOME

Global Fixed Income/Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt from a multitude local currency markets.
Global Fixed Income/ICE BofA Global Broad Market Index tracks the performance of investment grade debt publicly issued in the major domestic and Eurobond markets, including sovereign, quasi-government, corporate, securitized, and collateralized securities.
Global Corporates/ICE BofA Global Broad Market Corp Index (Hedged) tracks the performance of investment grade corporate debt publicly issued in the major domestic and euro-bond markets. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch).
Global Governments/ICE BofA Global Govt Bond Index + ICE BofA Global Large Cap Quasi-Govt Index (Hedged): (i) The ICE BofA Global Government Index tracks the performance of publicly issued investment grade sovereign debt denominated in the issuer's own domestic currency. (ii) The ICE BofA Global Large Cap Quasi-Government Index tracks the performance of Large-capitalization investment grade quasi-government debt publicly issued in the major domestic and euro-bond markets, including agency, foreign government, local government, supranational and government guaranteed securities. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch).
Global High Yield/Emerging Market/ICE BofA Global HY Country External Corp & Govt + ICE BofA Global High Yield Index (Unhedged): (i) The ICE BofA Global High Yield Country External Corporate & Government Index tracks the performance of USD and EUR denominated emerging market debt, including sovereign, quasi-government, and corporate securities. (ii) The ICE BofA Global High Yield Index tracks the performance of USD, CAD, GBP, and EUR denominated below investment grade corporate debt publicly issued in the major domestic or euro-bond markets.
Global Mortgages/ICE BofA Global Broad Market Collateralized Index (Hedged) tracks the performance of investment grade securitized and collateralized debt, including mortgage backed, asset backed, commercial mortgage backed, covered bond, and U.S. mortgage pass-through securities publicly issued in the major domestic and euro-bond markets. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch).
International Fixed Income/ICE BofA Global Broad Market ex USD Index (Hedged) is a subset of ICE BofA Global Broad Market Index excluding all securities denominated in U.S. dollars.
Treasury Inflation-Protected Securities (TIPS) /ICE BofA U.S. Inflation-Linked Treasury Index tracks the performance of U.S. dollar-denominated inflation linked sovereign debt publicly issued by the U.S. government in its domestic market.
U.S. Broad Market/ICE BofA U.S. Broad Market Index tracks the performance of U.S. dollar-denominated investment grade debt publicly issued in the U.S. domestic market, including U.S. Treasury, quasi-government, corporate, securitized, and collateralized securities.
U.S. Corporates/BBB/Sovereign/ICE BofA U.S. Corporate Index tracks the performance of U.S. dollar-denominated investment grade corporate debt publicly issued in the U.S. domestic market.
U.S. Government & Quasi Government/ICE BofA U.S. Treasury/Agency Index tracks the performance of U.S. dollar-denominated U.S. Treasury and non-subordinated U.S. agency debt issued in the U.S. domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of $1 billion for sovereigns and $250 million for agencies.
U.S. High Yield/ICE BofA U.S. High Yield Index tracks the performance of U.S. dollar denominated below investment grade corporate debt publicly issued in the U.S. domestic market.
U.S. Mortgage-backed Securities/ICE BofA U.S. Mortgage-Backed Securities Index tracks the performance of U.S. dollar denominated fixed rate residential mortgage pass-through securities publicly issued by U.S. agencies Fannie Mae, Freddie Mac and Ginnie Mae in the U.S. domestic market. 30-year, 20-year, and 15-year fixed rate mortgage pools are included in the Index provided they have at least one year remaining term to final maturity and a minimum amount outstanding of at least $5 billion per generic coupon and $250 million per production year within each generic coupon.
U.S. Municipals/Bloomberg U.S. Municipal Index is a benchmark that covers the U.S. dollar-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.
U.S. Municipals/ICE BofA U.S. Municipal Securities Index tracks the performance of U.S. dollar-denominated investment grade tax-exempt debt publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. domestic market.

ALTERNATIVE INVESTMENTS/COMMODITIES/REAL ESTATE

Hedge Funds/Hedge Strategies/HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage.
Leveraged Loans/Morningstar LSTA U.S. Leveraged Loan Index is a market-value weighted index designed to measure the performance of the U.S. leveraged loan market.
Private Equity/Cambridge Associates (CA) U.S. Private Equity Index (Legacy Version): The Cambridge Associates U.S. Private Equity benchmark statistics are based on data compiled from more than 1,400 institutional-quality buyout, growth equity, private equity energy, and subordinated capital funds..

Index Definitions

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Securities indexes assume reinvestment of all distributions and interest payments. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Indexes are all based in U.S. dollars.

Alerian MLP Index is the leading gauge of energy infrastructure Master Limited Partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX).
Bloomberg Commodity Index designed to provide liquid and diversified exposure to commodities via futures contracts. Is calculated on an excess return basis and reflects commodity futures price movements.
Bloomberg Global High Yield Index is a multi-currency flagship measure of the global high yield debt market. The index represents the union of the U.S. High Yield, the Pan-European High Yield, and Emerging Markets (EM) Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive.
Bloomberg U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).
Bloomberg U.S. Aggregate Corporate Index measures the investment grade, fixed-rate, taxable corporate bond market.
Bloomberg U.S. EQ:FI 60:40 Index is designed to measure cross-asset market performance in the U.S. The index rebalances monthly to 60% equities and 40% fixed income. The equity and fixed income allocation is represented by Bloomberg U.S. Large Cap and Bloomberg U.S. Agg, respectively.
Bloomberg U.S. Mortgage Backed Securities (MBS) Index tracks fixed-rate agency mortgage backed pass-through securities guaranteed by Ginnie Mae, Fannie Mae, and Freddie Mac.
Bloomberg U.S. Municipal Index is a benchmark that covers the U.S. dollar-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.
Bloomberg U.S. Treasury Index measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury. Treasury bills are excluded by maturity constraint, but are part of a separate Short Treasury Index.
Brent Crude Oil Futures reflects a generic ICE Brent Crude futures contract, which is a deliverable contract based on EFP delivery with an option to cash settle.
Dow Jones Industrial Average (DJIA) is a price-weighted measure of 30 U.S. blue-chip companies. The index covers all industries except transportation and utilities. It has been a widely followed indicator of the stock market since October 1, 1928.
Freddie Mac Enhanced U.S. 30 Year Mortgage Rate Freddie Mac surveys lenders on the rates and points for their most popular 30-year fixed rate. The survey is based on first-lien prime conventional conforming home purchase mortgages with a loan-to-value of 80 percent. In addition, the adjustable-rate mortgage (ARM) products are indexed to U.S. Treasury yields.
FTSE EPRA Nareit Global Index is designed to track the performance of listed real estate companies and REITS in both developed and emerging markets.
FTSE EPRA Nareit United States Index is designed to track the performance of listed real estate companies and REITs in the United States.
HFRI Fund Weighted Composite Index is a global, equal-weighted index of single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in U.S. Dollar and have a minimum of $50 Million under management or $10 Million under management and a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.
ICE BofA BBB & Lower Sovereign External Debt Index tracks the performance of U.S. dollar denominated emerging market and cross-over sovereign debt publicly issued in the Eurobond or U.S. domestic market.
ICE BofA Global Broad Market Index tracks the performance of investment grade debt publicly issued in the major domestic and Eurobond markets, including sovereign, quasi-government, corporate, securitized, and collateralized securities.
ICE BofA U.S. Broad Market Index tracks the performance of U.S. dollar-denominated investment grade debt publicly issued in the U.S. domestic market, including U.S. Treasury, quasi-government, corporate, securitized, and collateralized securities.
ICE BofA U.S. Composite Agency Index tracks the performance of U.S. dollar-denominated investment grade U.S. agency debt issued in the U.S. domestic market.
ICE BofA U.S. Corporate Index tracks the performance of U.S. dollar-denominated investment grade corporate debt publicly issued in the U.S. domestic market.
ICE BofA U.S. High Yield Index tracks the performance of U.S. dollar-denominated below investment grade corporate debt publicly issued in the U.S. domestic market.
ICE BofA U.S. Inflation-Linked Treasury Index tracks the performance of U.S. dollar-denominated inflation linked sovereign debt publicly issued by the U.S. government in its domestic market.
ICE BofA U.S. Municipal Securities Index tracks the performance of U.S. dollar-denominated investment grade tax-exempt debt publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. domestic market.
ICE BofA U.S. Treasury Index tracks the performance of U.S. dollar-denominated sovereign debt publicly issued by the U.S. government in its domestic market.
LPX50 Listed Private Equity USD Index is designed to represent the global performance of the 50 most highly capitalized and liquid Listed Private Equity companies. The index is diversified across regions, private equity investment styles, financing styles and vintages.
MSCI All Country World Index (ACWI) captures large and mid-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. With 2,517 constituents, the index covers approximately 85% of the global investable equity opportunity set.
MSCI ACWI ex USA Index captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries (excluding the U.S.) and 24 Emerging Markets (EM) countries. With 1,973 constituents, the index covers approximately 85% of the global equity opportunity set outside the U.S.
MSCI China Index captures large and mid cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings. With 560 constituents, the index covers about 85% of this China equity universe. Currently, the index includes Large Cap A and Mid Cap A shares represented at 20% of their free float adjusted market capitalization.
MSCI EAFE (Europe, Australasia, and Far East) Index is an equity index which captures large and mid cap representation across 21 Developed Markets around the world, excluding the U.S. and Canada. With 694 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Markets countries. With 1,196 constituents, the index covers approximately 85% of the free float adjusted market capitalization in each country.
MSCI Europe Index captures large and mid-cap representation across 15 Developed Markets (DM) countries in Europe. With 403 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across the European Developed Markets equity universe.
MSCI Japan Index designed to measure the performance of the large and mid cap segments of the Japanese market. With 182 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.
MSCI Pacific ex Japan Index captures large and mid cap representation across 4 of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 94 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
MSCI USA Equal Weighted Index represents an alternative weighting scheme to its market cap weighted parent index, the MSCI USA Index. At each quarterly rebalance date, all index constituents are weighted equally, effectively removing the influence of each constituent's current price.
MSCI USA Index designed to measure the performance of the large and mid cap segments of the U.S. market. With 544 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the U.S.
MSCI USA Growth Index captures large and mid-cap securities exhibiting overall growth style characteristics in the U.S.
MSCI USA High Dividend Yield Index is designed to reflect the performance of equities in the MSCI USA Index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent.
MSCI USA Minimum Volatility Index aims to reflect the performance characteristics of a minimum variance strategy applied to the large and mid-cap USA equity universe.
MSCI USA Momentum Index is based on MSCI USA Index, its parent index, which captures large and mid-cap stocks of the U.S. market. It is designed to reflect the performance of an equity momentum strategy by emphasizing stocks with high price momentum, while maintaining reasonably high trading liquidity, investment capacity and moderate index turnover.
MSCI USA Quality Index is based on the MSCI USA Index, its parent index, which includes large and mid-cap stocks in the U.S. equity market. The index aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage.
MSCI USA Value Index captures large and mid-cap U.S. securities exhibiting overall value style characteristics.
MSCI U.S. REIT Index is a free float-adjusted market capitalization weighted index that is comprised of equity Real Estate Investment Trusts (REITs).
MSCI World Index captures large and mid-cap representation across 23 Developed Markets (DM) countries. With 1,321 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
MSCI World ex USA Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries, excluding the United States. With 777 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
Nasdaq-100 Index is a globally recognized index that tracks the performance of 100 of the largest non-financial companies listed on the Nasdaq Stock Market®, encompassing a diverse range of industries and sectors.
Real Federal Reserve Board (FRB) Broad Trade-Weighted Dollar Index is constructed using the currencies of the 26 most important U.S. trading partners for which bilateral trade with the U.S. accounts for at least 0.5 percent of total U.S. bilateral trade. The index represents real terms (adjusted using consumer price indexes).
Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. The Russell 1000 Index is a subset of the Russell 3000® Index which is designed to represent approximately 98% of the investable U.S. equity market. It includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership.
Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years).
Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. Equity universe. It includes those Russell 1000 companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth and lower sales per share historical growth (5 years).
Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index which is designed to represent approximately 98% of the investable U.S. equity market. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.
Russell 3000 Growth Index measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000 companies with relatively higher price-to-book ratios, higher I/B/E/S forecast medium term (2 year) growth and higher sales per share historical growth (5 years).
Russell 3000 Index measures the performance of the largest 3,000 U.S. companies designed to represent approximately 98% of the investable U.S. equity market, as of the most recent constitution.
Russell 3000 Value Index measures the performance of the broad value segment of the U.S. equity value universe. It includes those Russell 3000 companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth and lower sales per share historical growth (5 years).
Russell Microcap Index measures the performance of the microcap segment of the U.S. equity market. Microcap stocks make up less than 2% of the U.S. equity market (by market cap, as of the most recent reconstitution) and consist of the smallest 1,000 securities in the small-cap Russell 2000® Index, plus the next 1,000 smallest eligible securities by market cap.
Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap Index is a subset of the
Russell Top 200 Index measures the performance of the largest cap segment of the U.S. equity universe. The Russell Top 200 Index is a subset of the Russell 3000® Index. It includes approximately 200 of the largest securities based on a combination of their market cap and current index membership and represents approximately 68% of the Russell 3000® Index, as of the most recent reconstitution.
S&P 500 Index (SPX) market-capitalization-weighted index that is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization. It is also an ideal proxy for the total market.
S&P 500 sub-sectors and industry groups refer to Global Industry Classification Standard (GICS®) including Information Technology Total Return TR USD; Consumer Discretionary TR USD; Industrials TR USD; Real Estate TR USD; Communication Services TR USD; Materials TR USD; Financials TR USD; Consumer Staples TR USD; Utilities TR USD; Energy TR USD; Healthcare TR USD.
U.S. Dollar Index (DXY) indicates the general international value of the U.S. dollar. The index does this by averaging the exchange rates between the U.S. dollar and major world currencies.
West Texas Intermediate (WTI) Crude Oil Futures is a principal international pricing benchmark in U.S. dollars per barrel that reflects the NYMEX Division light, sweet crude oil futures contract which is the world's most liquid forum for crude oil trading and the world's largest volume future contract trading on a physical commodity. The contract trades in units of 1,000 barrels and the delivery point is Cushing, Oklahoma, which is also accessible to the international spot markets via pipelines.

Important Disclosures

Investing involves risk, including the possible loss of principal. Past performance is no guarantee of future results.

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Asset allocation, diversification, rebalancing and dollar cost averaging do not ensure a profit or protect against loss in declining markets.

Keep in mind that dollar cost averaging cannot guarantee a profit or prevent a loss. Since such an investment plan involves continual investment in securities regardless of fluctuating price levels, you should consider your willingness to continue purchasing during periods of high or low price levels.

Dividend payments are not guaranteed, and are paid only when declared by an issuer's board of directors. The amount of a dividend payment, if any, can vary over time. Companies may reduce or eliminate dividend payment to shareholders. Historically, dividends make up a large percentage of stocks' total return.

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Reference to indices, or other measures of relative market performance over a specified period of time (each, an "index") are provided for illustrative purposes only, do not represent a benchmark or proxy for the return or volatility of any particular product, portfolio, or security holding. Indices are unmanaged. The figures for the index reflect the reinvestment of dividends but do not reflect the deduction of any fees or expenses which would reduce returns. We strongly recommend that these factors be taken into consideration before an investment decision is made. Neither the Chief Investment Office nor the index sponsor can verify the validity or accuracy of the self reported returns of the managers used to calculate the index returns. The Chief Investment Office does not guarantee the accuracy of the index returns and does not recommend any investment or other decision based on the results presented. The indices referred in the presentation do not reflect the performance of any account or fund managed by Bank of America, Merrill, or their affiliates, or of any other specific fund or account, and do not reflect the deduction of any management or performance fees or expenses. Indices are unmanaged and results shown are not reduced by taxes or transaction costs such as fees. It is not possible to invest directly in an Index.

Investments discussed have varying degrees of risk. Some of the risks involved with equities include the possibility that the value of the stocks may fluctuate in response to events specific to the companies or markets, as well as economic, political or social events in the U.S. or abroad. Stocks of small- and mid-cap companies pose special risks, including possible illiquidity and greater price volatility than stocks of larger, more established companies. Bonds are subject to interest rate, inflation and credit risks. Investments in high-yield bonds ("junk bonds") may be subject to greater market fluctuations and risk of loss of income and principal than securities in higher rated categories. Income from investing in municipal bonds is generally exempt from Federal and state taxes for residents of the issuing state. While the interest income is tax-exempt, any capital gains distributed are taxable to the investor. Income for some investors may be subject to the Federal Alternative Minimum Tax (AMT). Mortgage-backed securities are subject to credit risk and the risk that the mortgages will be prepaid, so that portfolio management may be faced with replenishing the portfolio in a possibly disadvantageous interest rate environment. Generally, when interest rates decline, prepayments accelerate beyond the initial pricing assumptions, which could cause the average life and expected maturity of the securities to shorten. Conversely, when interest rates rise, prepayments slow down beyond the initial pricing assumptions and could cause the average life and expected maturity of the securities to extend and the market value to decline. Investments in foreign securities involve special risks, including foreign currency risk and the possibility of substantial volatility due to adverse political, economic or other developments. These risk are magnified for investments made in emerging market. Investments in a certain industry or sector may pose additional risk due to lack of diversification and sector concentration. Investments in real estate securities can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates, and risk related to renting properties, such as rental defaults. There are special risks associated with an investment in commodities, including market price fluctuations, regulatory change, interest rate change, credit risk, economic changes and the impact of adverse political or financial factors.

Investing in Gold involves special risks, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes, and the impact of adverse political or financial factors.

Investments in Infrastructure Assets will be subject to risks incidental to owning and operating infrastructure projects, including risks associated with the general economic climate, geographic or market concentration, government regulations and fluctuations in interest rates. The industries targeted for investment may be highly regulated by governmental agencies. Such regulations may impact an investor's ability to acquire, dispose of and/or manage investments.

Alternative investments are speculative and involve a high degree of risk.

There may be conflicts of interest relating to the alternative investment and its service providers, including Bank of America Corporation, and its affiliates, who are engaged in businesses and have clear interests other than that of managing, distributing and otherwise providing services to the alternative investment. These activities and interests include potential multiple advisory, transactional and financial and other interests in securities and instruments that may purchase or sell such securities and instruments. These are considerations of which investors in the alternative investments should be aware. Additional information relating to these conflicts is set forth in the offering materials for the alternative investment.

Alternative investments are intended for qualified investors only. Alternative Investments such as derivatives, hedge funds, private equity funds, and funds of funds can result in higher return potential but also higher loss potential. Changes in economic conditions or other circumstances may adversely affect your investments. Before you invest in alternative investments, you should consider your overall financial situation, how much money you have to invest, your need for liquidity, and your tolerance for risk.

Nonfinancial assets, such as closely-held businesses, real estate, fine art, oil, gas and mineral properties, and timber, farm and ranch land, are complex in nature and involve risks including total loss of value. Special risk considerations include natural events (for example, earthquakes or fires), complex tax considerations, and lack of liquidity. Nonfinancial assets are not in the best interest of all investors. Clients should always consult with your independent attorney, tax advisor, investment manager, and insurance agent for final recommendations and before changing or implementing any financial, tax, or estate planning strategy.

Investors should bear in mind that the global financial markets are subject to periods of extraordinary disruption and distress. During the financial crisis of 2008-2009, many private investment funds incurred significant or even total losses, suspended redemptions or otherwise severely restricted investor liquidity, including increasing the notice period required for redemptions, instituting gates on the percentage of fund interests that could be redeemed in any given period and creating side-pockets and special purpose vehicles to hold illiquid securities as they are liquidated. Other funds may take similar steps in the future to prevent forced liquidation of their portfolios into a distressed market. In addition, investment funds implementing alternative investment strategies are subject to the risk of ruin and may become illiquid under a variety of circumstances, irrespective of general market conditions.