BofA SECURITIES

Global Fund Manager Survey

Bull Charge

15 October 2024 Corrected

Investment Strategy
Global

BofA Data Analytics

BofA October Global Fund Manager Survey

Bottom Line: the biggest jump in investor optimism since Jun'20 on Fed cuts, China stimulus, soft landing (Chart 2); allocation to stocks surges and to bonds sinks, as FMS cash level falls to 3.9% from 4.2% (triggering ACWI "sell signal"); froth on the rise but BofA Bull & Bear Indicator up to 7.1, not yet the big "sell signal" level of 8.0.

Macro: the biggest jump in global growth expectations since May'20 (net -42% to -10%) driven by US & China; 76% of investors say "soft landing," 14% "no landing," 8% "hard landing"; 160bps of Fed cuts forecast next 12 months, 85% expect steeper yield curve.

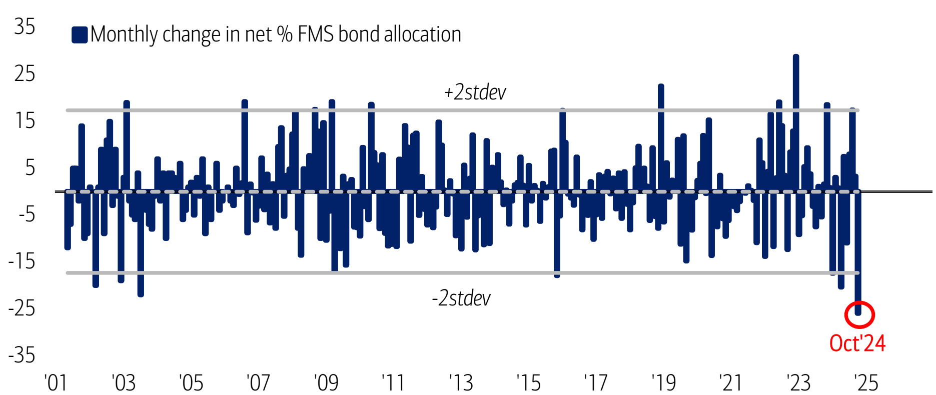
AA: the biggest jump in global equity allocation since Jun'20 (net 31% OW) vs. record drop in bond allocation (11% OW to 15% UW); investors say "biggest winners" from China stimulus: EM stocks & commodities, "biggest losers": govt bonds & Japan stocks; big Oct rotation into EM stocks and discretionary/industrials, out of staples/utilities.

Risks & Crowds: top 3 "tail risks" geopolitics 33%, inflation 26%, US recession 19%; most "crowded trades" long Magnificent 7 43%, long gold 17%, long China stocks 14%.

US Election: investors say election most likely to impact trade policy (47%), then geopolitics (15%) & taxation (11%); 1/3 investors set to increase hedging pre-election; investors say election "sweep" = higher bond yields, lower S&P 500, higher US dollar.

Contrarian Trades: "no landing"...long Europe vs US, long materials vs healthcare; "hard landing"...long yield curve flatteners, long bonds vs stocks, long staples vs industrials.

Chart 1: October FMS shows record monthly reduction in bond allocation
Monthly change in net % FMS bond allocation



Source: BofA Global Fund Manager Survey

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Notes to Readers

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

Survey period 4th to 10th Oct 2024

231 panellists with $574bn AUM participated in the October survey. 195 participants with $503bn AUM responded to the Global FMS questions and 128 participants with $273bn AUM responded to the Regional FMS questions.

How to join the FMS panel

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

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

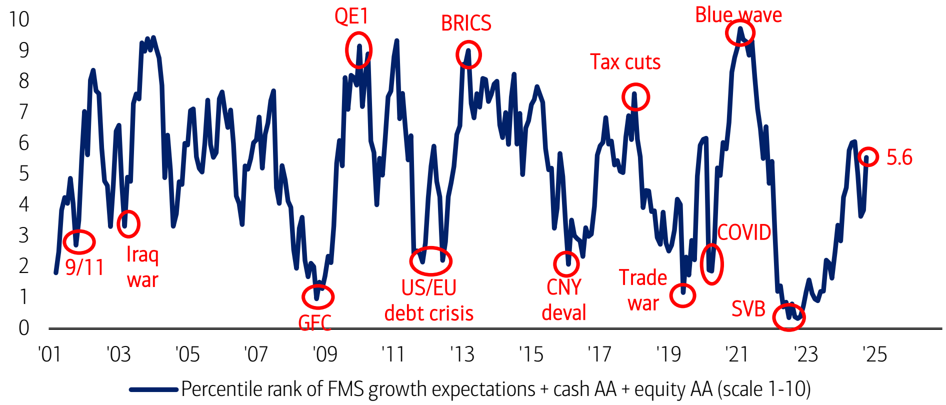
OW: overweight; UW: underweight

AA: asset allocation

Timestamp: 15 October 2024 12:30AM EDT

Charts of the Month

Chart 2: BofA Global FMS sentiment sees biggest monthly improvement since Jun'20
Percentile rank of FMS growth expectations, cash level, and equity allocation



Source: BofA Global Fund Manager Survey

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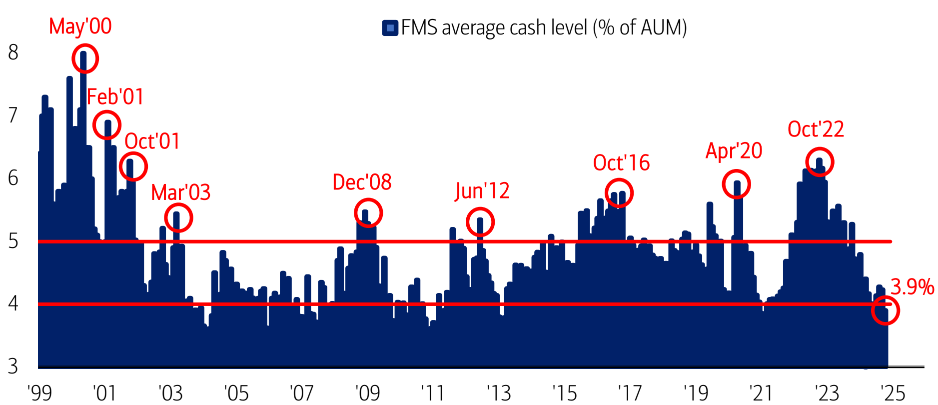
Our broadest measure of FMS sentiment, based on cash levels, equity allocation, and economic growth expectations, rose from 3.8 to 5.6, its largest monthly rise since Jun'20.

Chart 3: FMS cash level down from 4.2% to 3.9%...triggers "sell" signal
BofA Global FMS average cash level (% of AUM)



Source: BofA Global Fund Manager Survey

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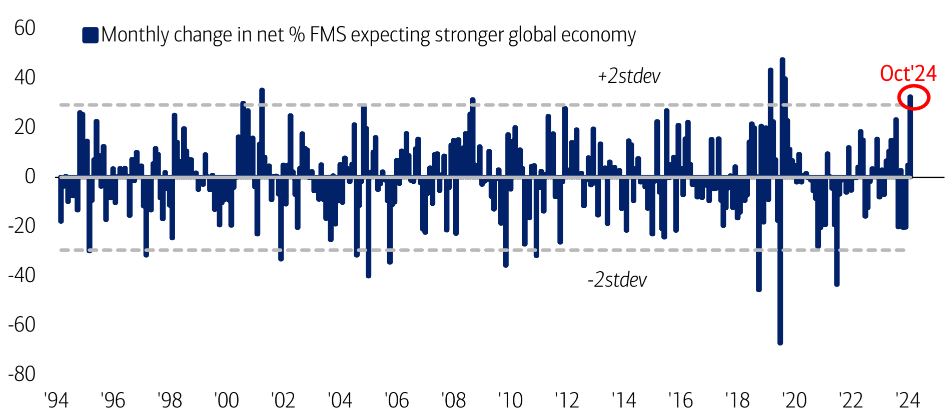
Cash level in the FMS fell from 4.2% to 3.9%, lowest level since Feb'21.

As FMS cash level dropped below 4.0%, the BofA Global FMS Cash Rule triggered its first contrarian "sell" signal since Jun'24.

Since 2011, there have been 11 prior "sell" signals which saw global equity (ACWI) returns of -2.5% in the 1 month after and -0.8% in the 3 months after the "sell" signal was triggered (see Rules & Tools).

Chart 4: Global growth expectations rise at fastest pace since May'20
Monthly change in net % FMS expecting a stronger global economy next 12 months

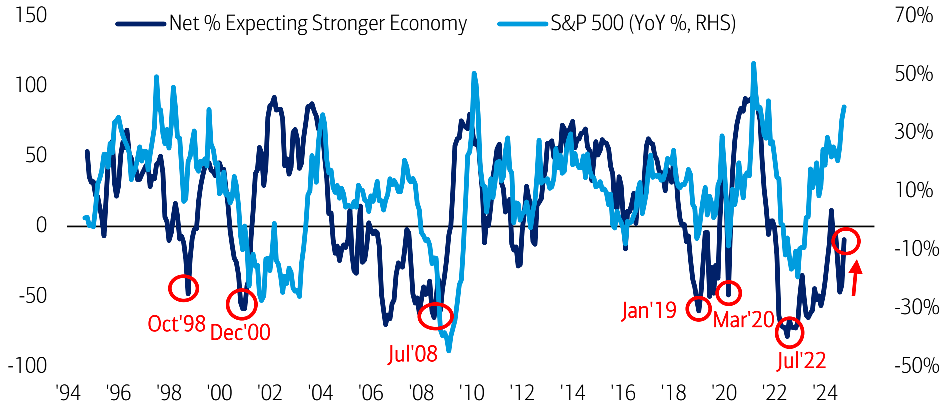


Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

Global growth expectations rose from -47% to -10%...the 5th largest jump since 1994 (after Jan'02, Nov'19, Apr'20, May'20) on the back of 50bps Fed cut, +250k payroll print, and China stimulus (equivalent to 3% of GDP).

Chart 5: Asset prices driving economic growth expectations higher
Net % FMS expecting global economy to get stronger next 12 months vs S&P 500 YoY% change

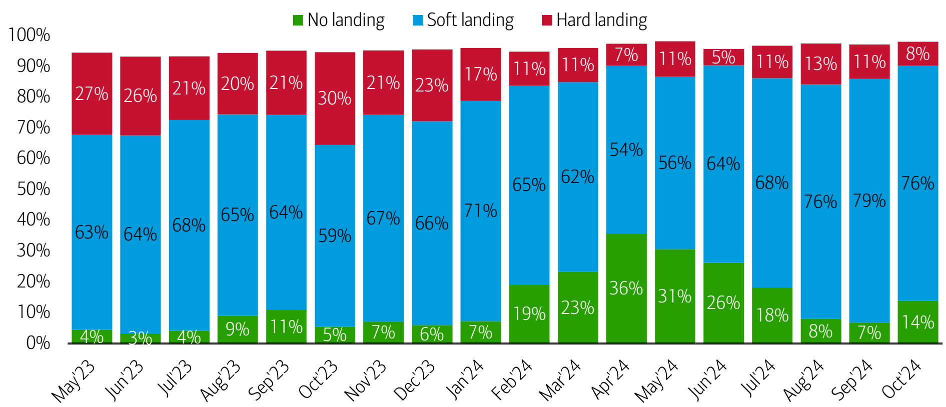


Source: BofA Global Fund Manager Survey, Bloomberg

BofA GLOBAL RESEARCH

Asset prices are driving economic growth expectations higher.

Chart 6: 76% say "soft landing," 14% "no landing," 8% "hard landing"
What is the most likely outcome for the global economy in the next 12 months?

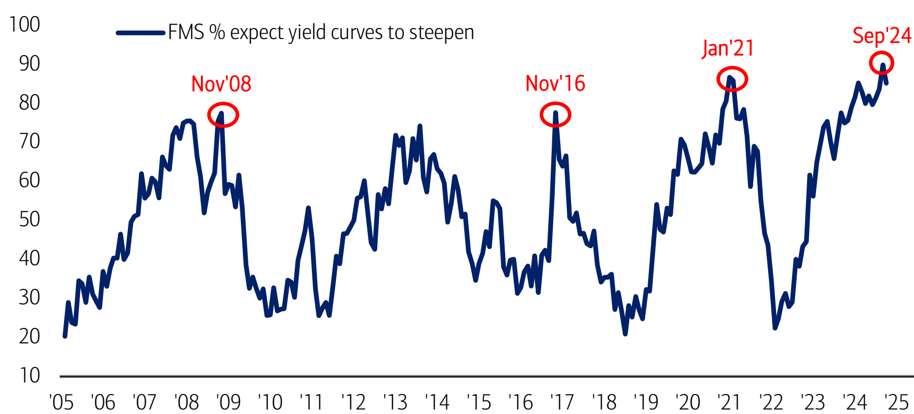


Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

On landings…FMS investor probability of a "soft landing" is 76%, while "no landing" is now the main alternative scenario at 14% (up from 7%), followed by "hard landing" at 8% (down to a 4-month low).

Chart 7: FMS conviction in steeper yield curve for 2025 remains strong
% FMS investors expecting steeper yield curve in the next 12 months



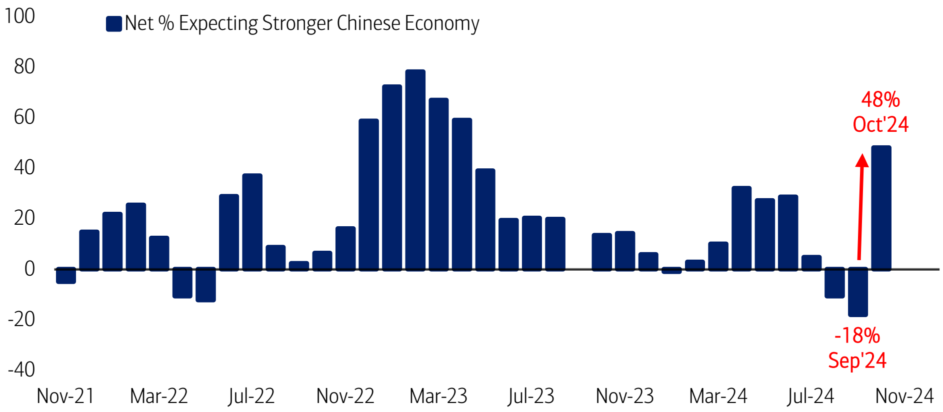
Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

85% of FMS investors expect yield curves to steepen in '25, near the record of 90% reached in the September survey.

Chart 8: China growth expectations surge to most optimistic since Apr'23

Net % FMS expecting stronger Chinese economy over the next 12 months



Source: BofA Global Fund Manager Survey

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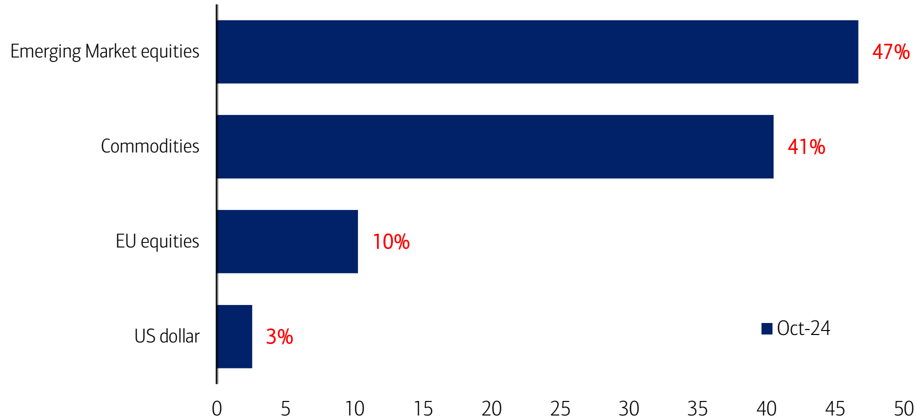
China's stimulus announcement caused investors to raise their outlook on Chinese growth to net 48% expecting a stronger economy (the most optimistic level since Apr'23).

Chart 9: EM equities and commodities seen as biggest "winners" of China stimulus

Biggest "winner" from recent China stimulus announcements (outside of Chinese stocks)



Source: BofA Global Fund Manager Survey

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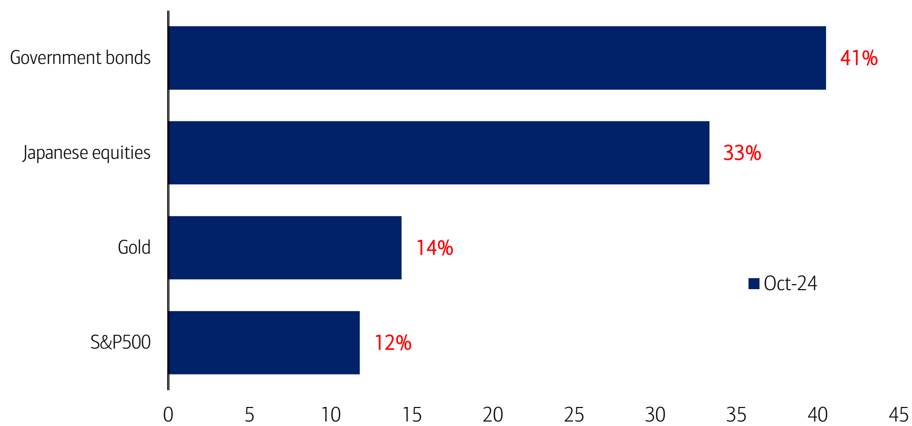
Asked about the biggest "winner" from China stimulus announcements, FMS investors pointed to EM equities (47%) and commodities (41%).

Chart 10: Government bonds and Japanese stocks seen as biggest China stimulus "losers"

Biggest "loser" from recent China stimulus announcements



Source: BofA Global Fund Manager Survey

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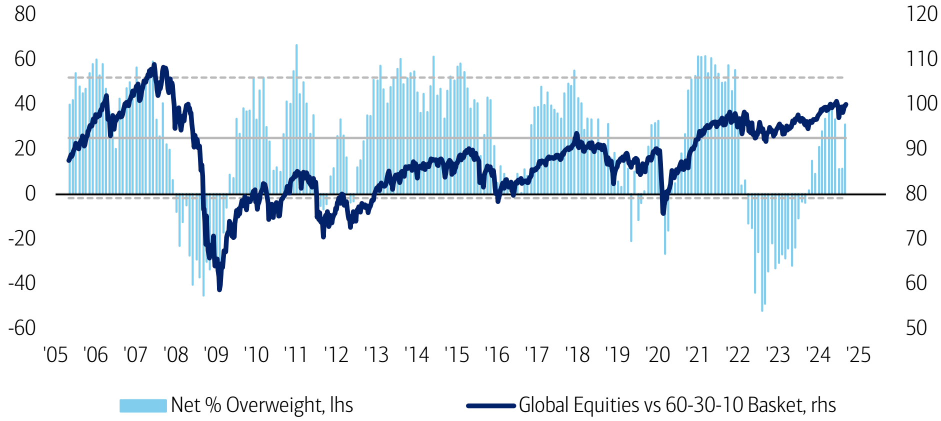
Governments bonds (41%) and Japanese equities (33%) are seen as the biggest "losers" on the back of China stimulus announcements.

Chart 11: October FMS sees biggest monthly increase in equity allocation in 4 years
Net % FMS OW Equities



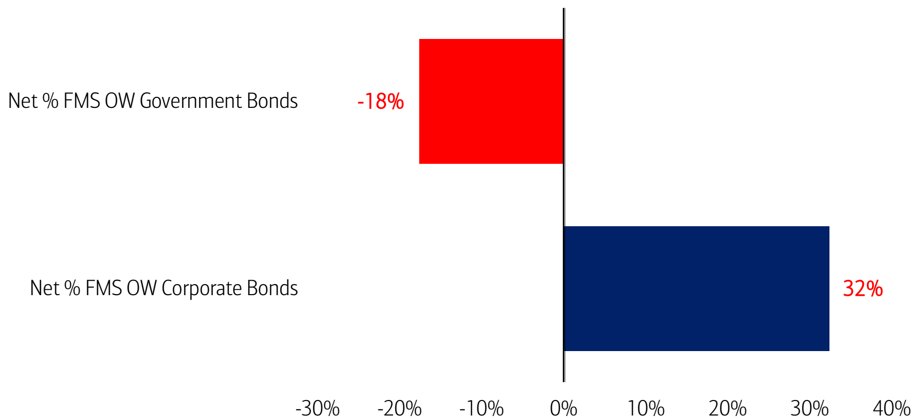
Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

In October, FMS investors raised their equity allocation by the largest amount since Jun'20.

Net 31% of FMS investors are overweight equities, up from net 11% overweight last month.

Chart 12: FMS investors are OW corporate bonds and UW government bonds
Net % FMS OW government bonds and Net % FMS OW corporate bonds

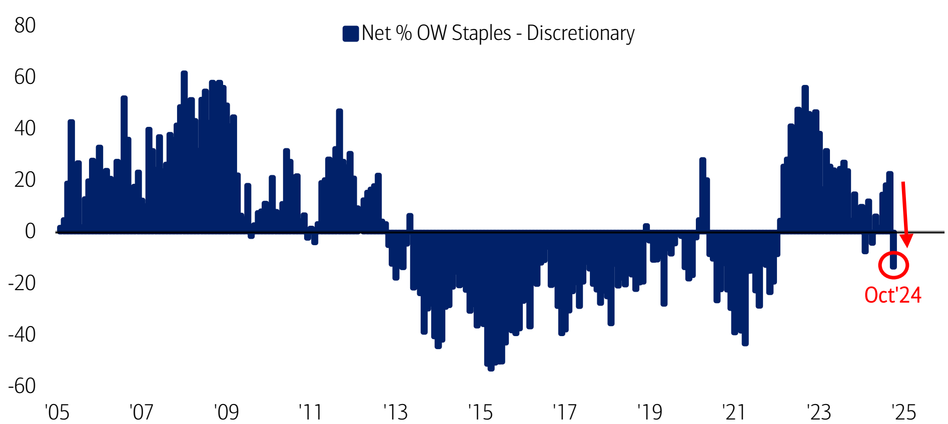


Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

Asked about positioning within their bond allocations, net 18% of FMS investors underweight government bonds and net 32% overweight corporate bonds.

Chart 13: Investors reduced exposure to defensives and rotated into cyclicals
Net % OW staples - net % OW consumer discretionary



Source: BofA Global Fund Manager Survey

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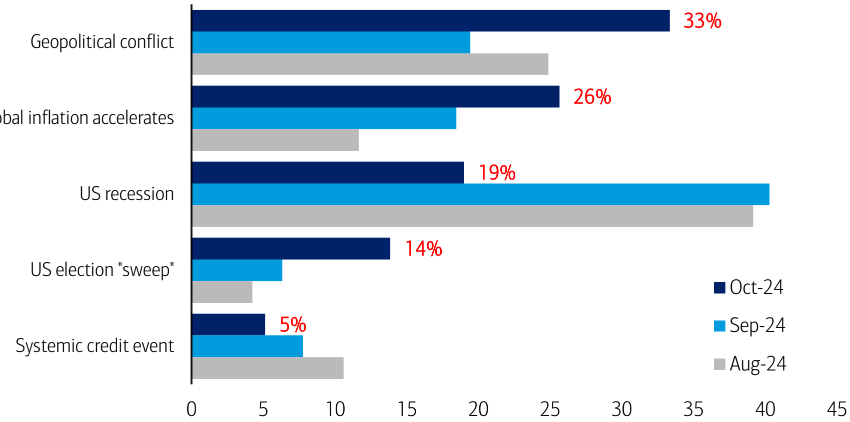
Within sectors, FMS investors cut exposure to defensives (e.g. staples, utilities) and rotated into cyclicals (e.g. discretionary, industrials, and energy).

Allocation to staples fell at the fastest pace since '05, while allocation to consumer discretionary saw the biggest monthly increase on record since '05.

On a relative basis, investors are the most UW staples relative to consumer discretionary since Dec'21.

Chart 14: Geopolitical conflict is seen as the biggest 'tail risk'
What do you consider the biggest 'tail risk'



Source: BofA Global Fund Manager Survey

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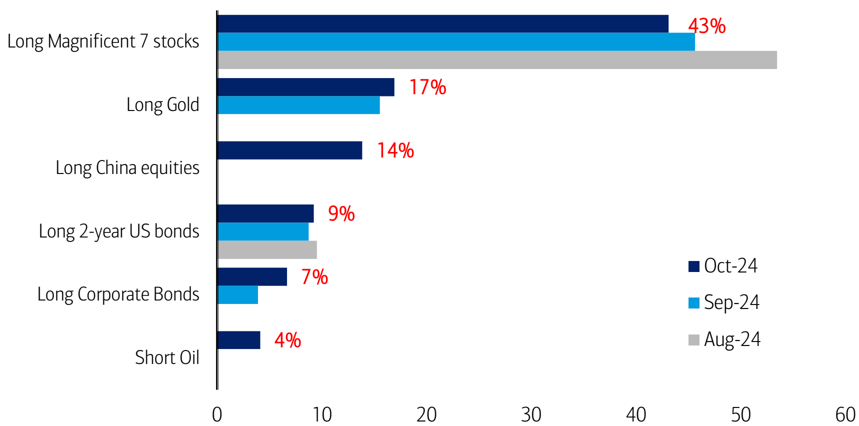
On tail risks…33% of FMS investors see geopolitical conflict as the #1 biggest 'tail risk'… up from 19% a month ago.

Concerns over accelerating inflation continued to rise from 18% to 26%, and concerns about US recession faded to 19% (from 40%, was the top risk in September).

Chart 15: "Long Magnificent 7" is still the most crowded trade
What do you think is currently the most crowded trade?



Source: BofA Global Fund Manager Survey

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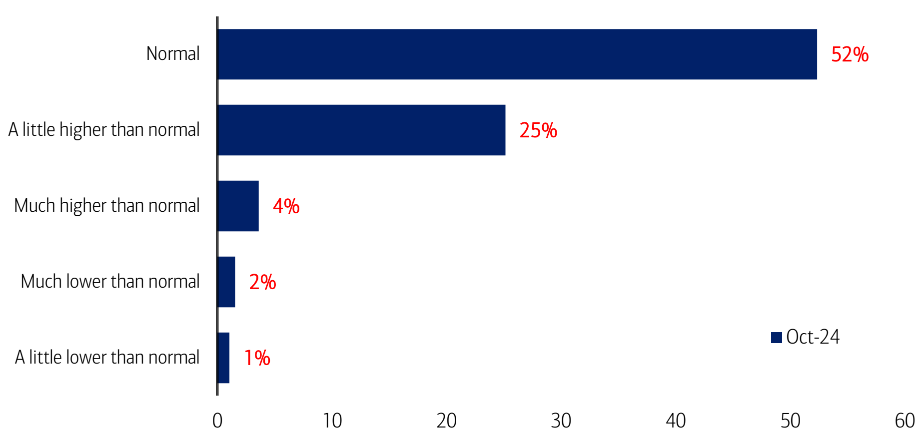
On crowded trades…"Long Magnificent 7" continues to hold the top spot for most crowded trade for the 19th consecutive month at 43% (down from the high of 71% in Jul'24).

17% of investors say "long gold" and 14% say "long China equities" are the most crowded trades.

Chart 16: 52% of FMS investors expect normal hedging activity ahead of the US election
Do to the US election, is your hedging activity in the next 4 weeks likely to be…?



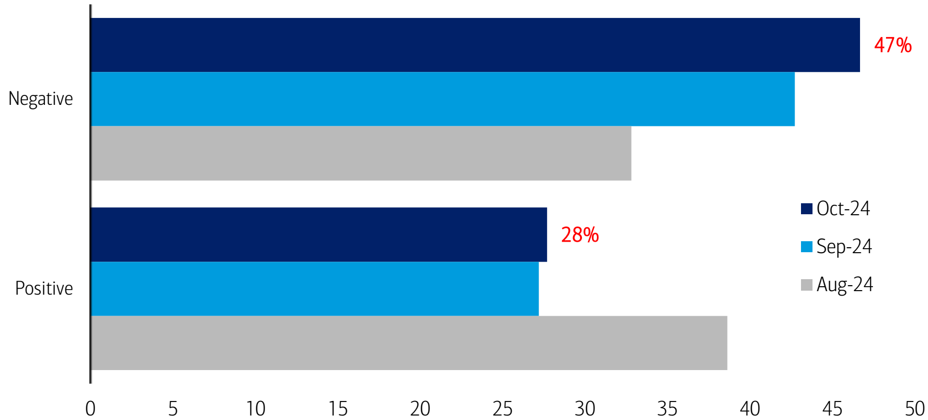
Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

52% of FMS investors said they expect normal hedging activity in the weeks leading up to the US election in November.

25% said hedging activity is likely to be "a little higher than normal" in the lead-up to the election.

Chart 17: US election "sweep" seen as negative for stocks
What do you think the impact of a US election "sweep" would be on the S&P 500?



Source: BofA Global Fund Manager Survey

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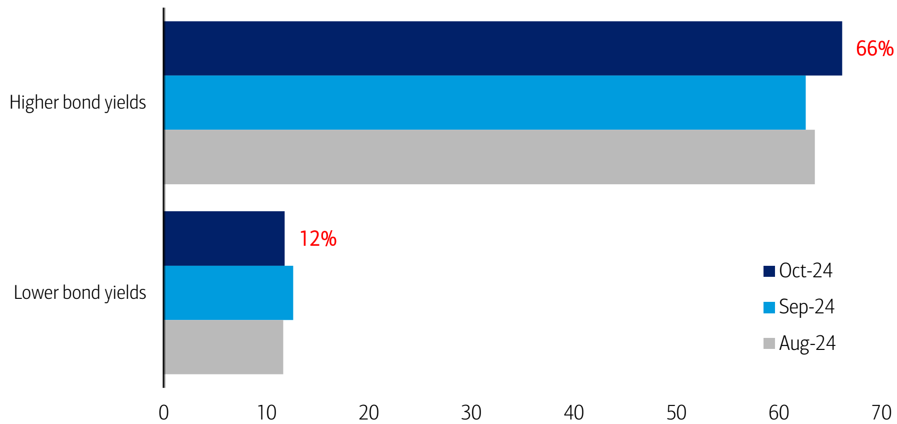
Asked about the impact of a US election "sweep" i.e. same party winning White House and Congress…47% view the outcome as negative for the S&P 500 while 28% view it as positive for stocks.

Chart 18: FMS investors say US election "sweep" = higher bond yields
What do you think the impact of a US election "sweep" would be on bond yields?

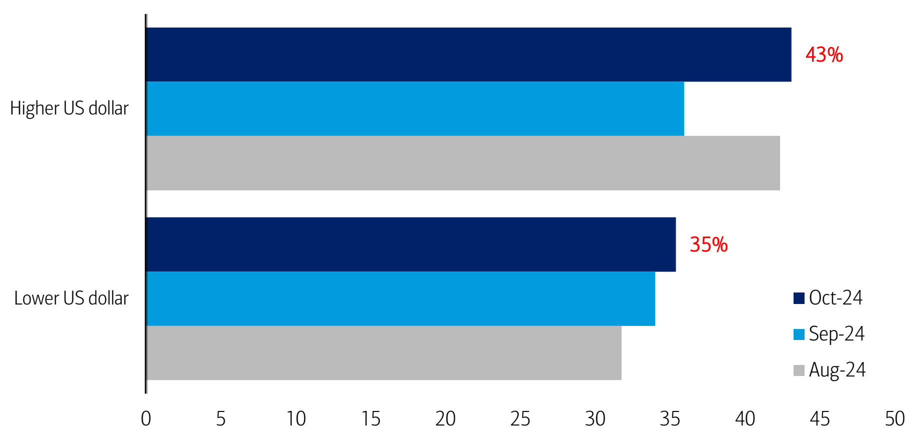


Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

66% of investors think that a "sweep" outcome would result in higher bond yields, while just 12% expect lower bond yields.

Chart 19: FMS investors say US election "sweep" = stronger US dollar
What do you think the impact of a US election "sweep" would be on the US dollar?

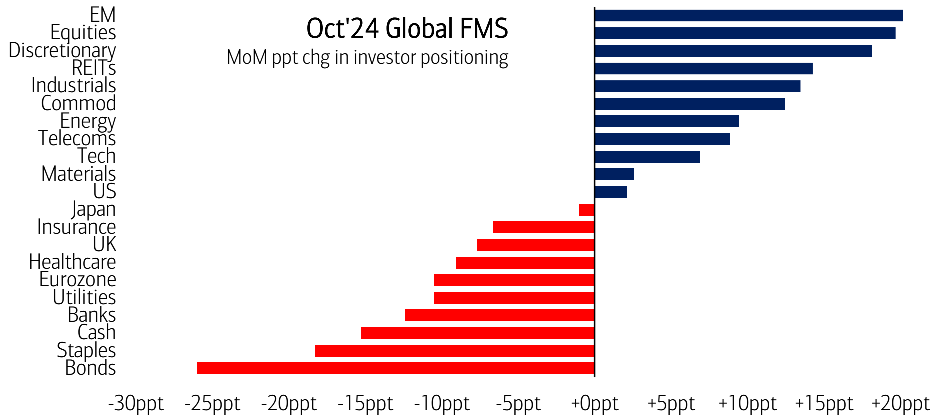


Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

Investors are somewhat split on the impact of a "sweep" on the US dollar…43% expect a higher US dollar while 35% expect a lower US dollar.

Chart 20: October rotation out defensives & banks and into cyclicals & tech
Monthly change in FMS investor positioning



Source: BofA Global Fund Manager Survey

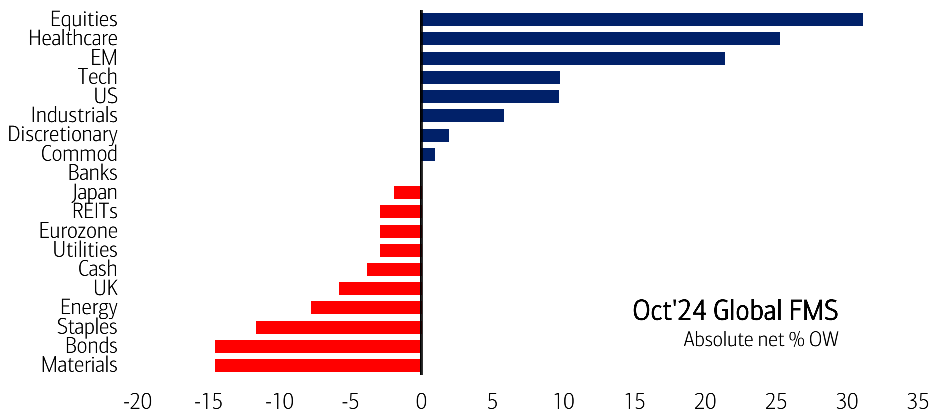
BofA GLOBAL RESEARCH

This chart shows October's monthly changes in FMS investor allocation.

Investors increased allocation to emerging markets, equities, cyclicals (discretionary, industrials, energy), and REITs...

...and reduced allocation to bonds, cash, and defensives (bonds, utilities).

Chart 21: FMS net OW stocks, healthcare & EM vs UW materials, bonds & staples
FMS absolute positioning (net % overweight)



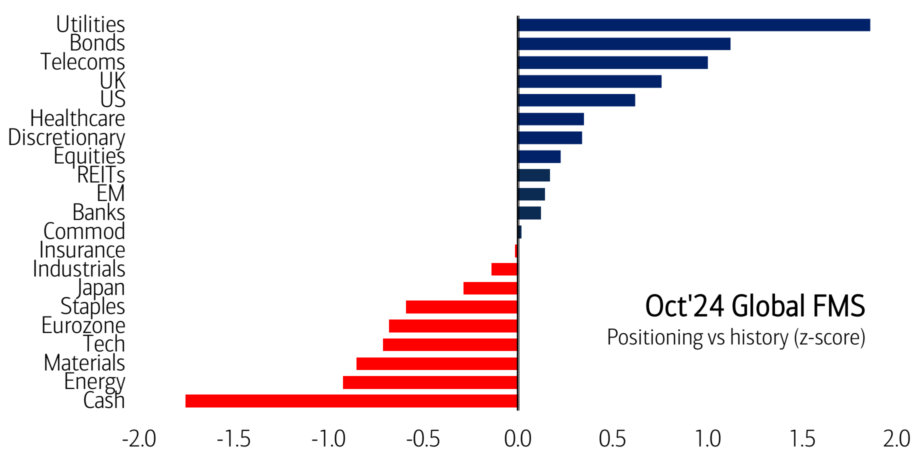
Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

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

Investors are most overweight stocks, healthcare, and EM vs most underweight materials, bonds, and staples.

Chart 22: FMS OW utilities & bonds vs UW cash, resources & tech relative to history
FMS positioning vs history (z-score)



Source: BofA Global Fund Manager Survey

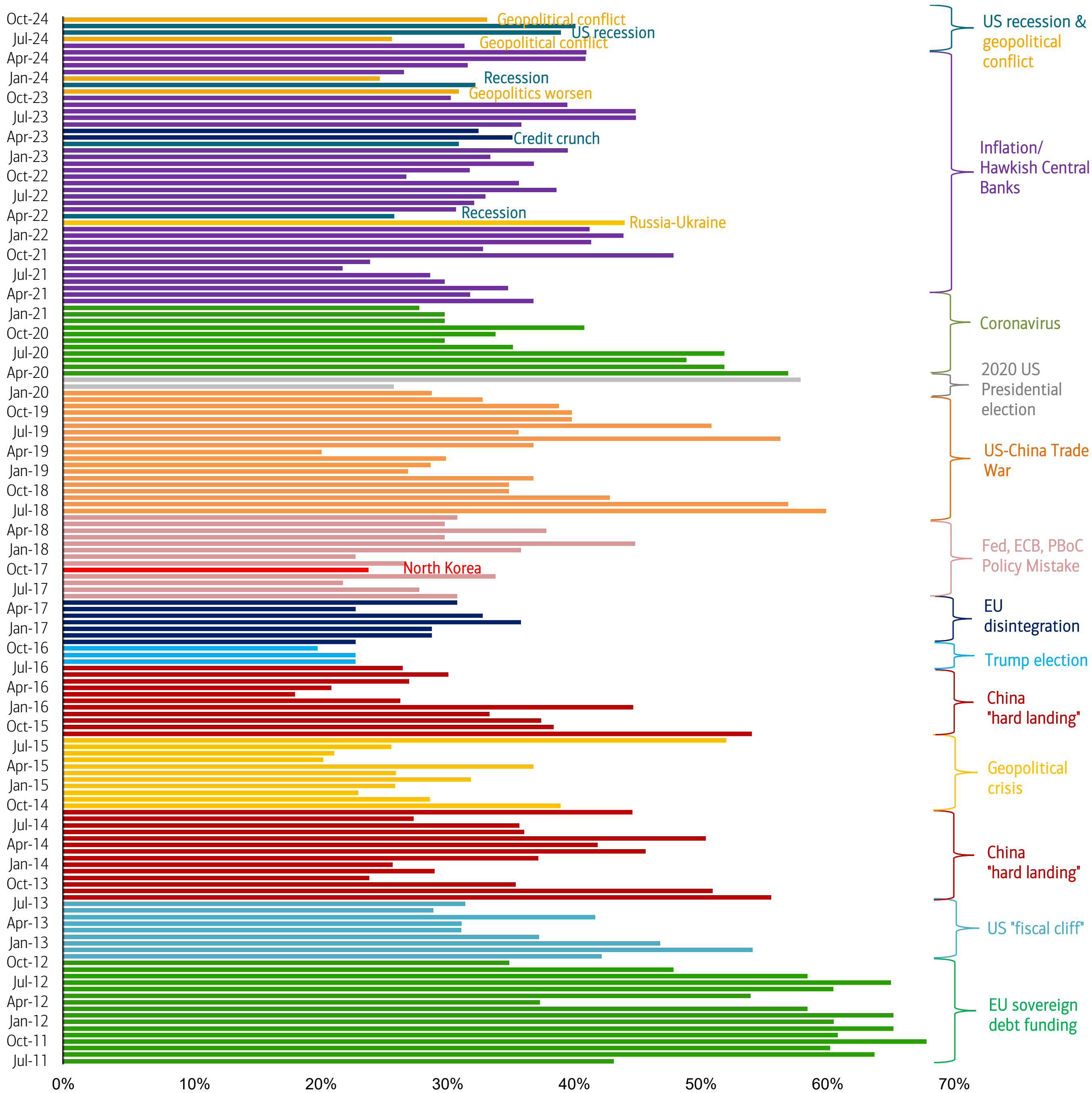
BofA GLOBAL RESEARCH

This chart shows FMS investor positioning relative to the average long-term positioning (past ~20 years).

Relative to history, investors are long utilities, bonds, telecoms, and UK & US stocks...

...and are underweight cash, resources (energy & materials), tech, and Eurozone.

Chart 23: Evolution of Global FMS "biggest tail risk"
History of Global FMS "biggest tail risk" answers



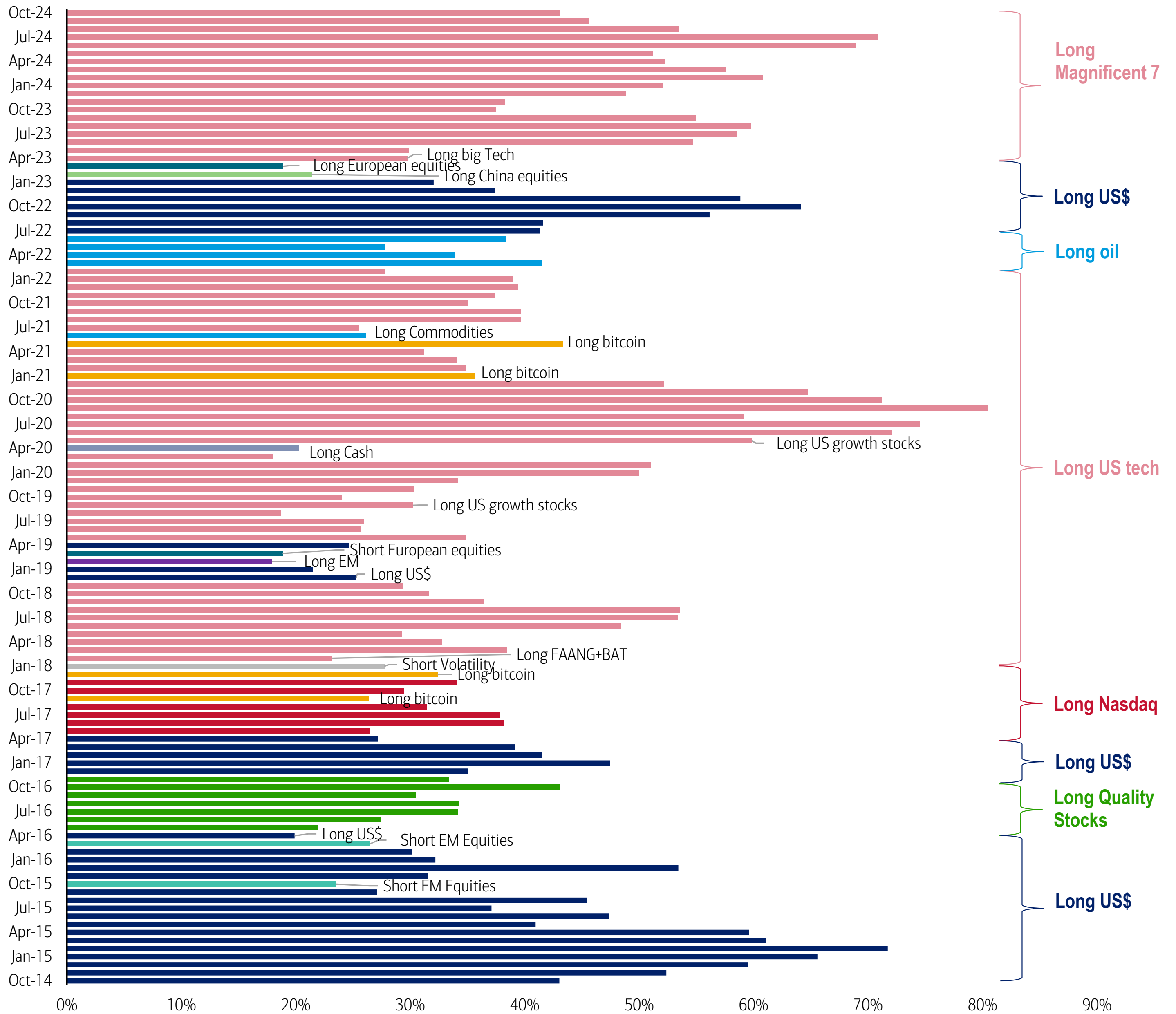
Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

- This chart shows the full history of the biggest "tail risk" for markets from BofA's monthly Global Fund Manager Survey.
- The dominant concerns of investors since 2011 have been Eurozone debt, Chinese growth, populism, quantitative tightening & trade wars, global coronavirus, inflation, & central bank rate hikes; now recession and geopolitics.
- Geopolitical conflict the top "tail risk" per 33% of FMS investors; #2 global inflation accelerates (26%), #3 US recession (19%).

Chart 24: Evolution of Global FMS "most crowded trade"

History of Global FMS "most crowded trade" answers



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

- This chart shows the full history of the most "crowded trade" according to BofA's monthly Global Fund Manager Survey.
- The market leadership has been relatively narrow since 2013, shifting from high yielding debt; long US$; long Quality; long Tech; long Emerging Markets; long US Treasuries, long US tech & growth stocks, long Bitcoin, long commodities, long tech, long commodities, long US dollar, and long Magnificent Seven.
- Long Magnificent 7 is considered the most crowded trade (per 43% of investors) followed by #2 long gold (17%), and #3 long China equities (14%).

BofA Global FMS Rules & Tools

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

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

	Category	Current reading	Current signal
BofA Global FMS Cash Rule	Contrarian	3.9%	Sell
Buy global equities when cash at or above 5.0%; sell when cash at or below 4.0%			
BofA Bull & Bear Indicator	Contrarian	7.1	Neutral
Buy global equities when the indicator falls below 2.0; sell when it rises above 8.0			

Source: BofA Global Investment Strategy

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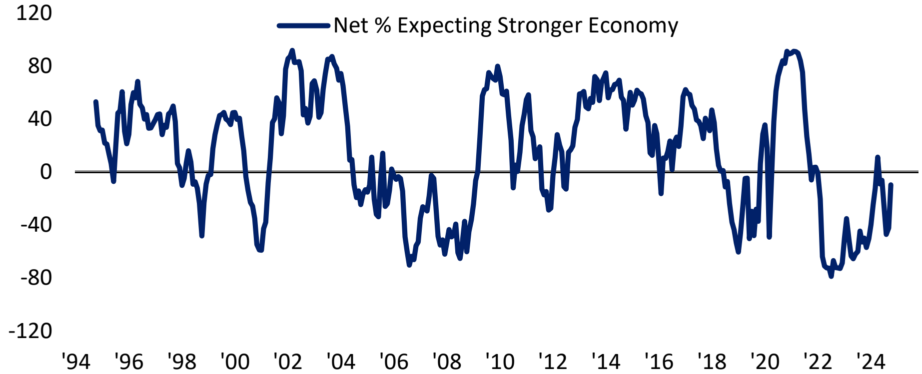
Disclaimer: The indicators identified as BofA Global FMS Cash Rule and BofA Bull & Bear Indicator above are intended to be indicative metrics only and may not be used for reference purposes or as a measure of performance for any financial instrument or contract, or otherwise relied upon by third parties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

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

Investors on the Macro

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



Source: BofA Global Fund Manager Survey

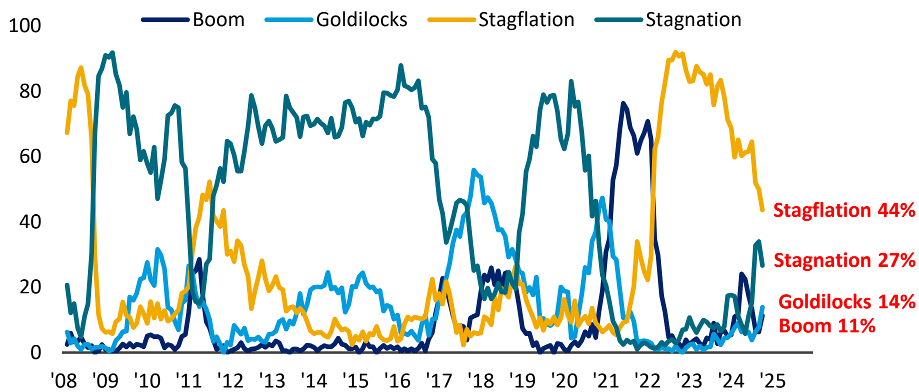
BofA GLOBAL RESEARCH

October FMS showed net 10% of investors expecting a *weaker* economy in the next 12 months.

Sentiment on the economy improved 32ppt MoM, the highest monthly jump since May'20.

The only other times global growth expectations have jumped >30ppt in a single month have been: May/Apr'20, Nov'19, May'09, Dec'01, and Oct'94.

Chart 26: How FMS investors would describe the global economy over the next 12 months
FMS expectations for the global economy over the next 12 months?



Source: BofA Global Fund Manager Survey.

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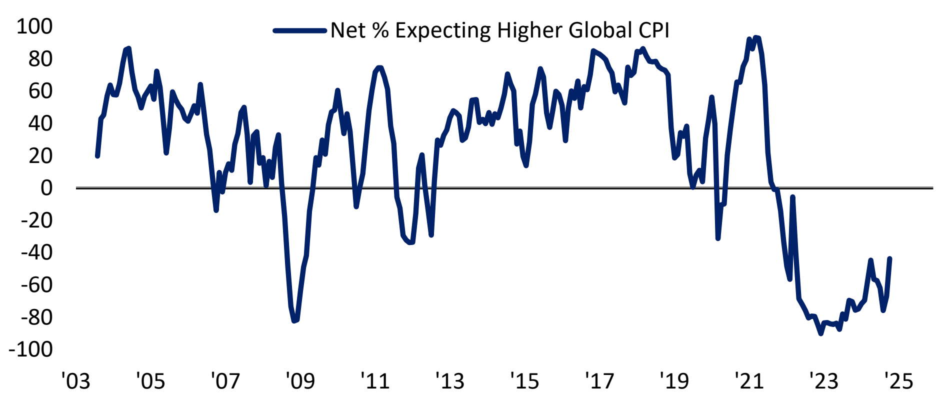
44% of FMS investors said they expect "stagflation" (below-trend growth & above-trend inflation), the lowest since Feb'22.

27% said "stagnation" (below-trend growth & below-trend inflation), -7ppt MoM.

14% said "goldilocks" (above-trend growth & below-trend inflation), up 6ppt MoM.

11% of investors said "boom" (above-trend growth & above-trend inflation), up 5ppt MoM.

Chart 27: Net % of FMS investors that think global CPI (in YoY terms) will be higher
Net % of FMS investors expecting higher inflation



Source: BofA Global Fund Manager Survey.

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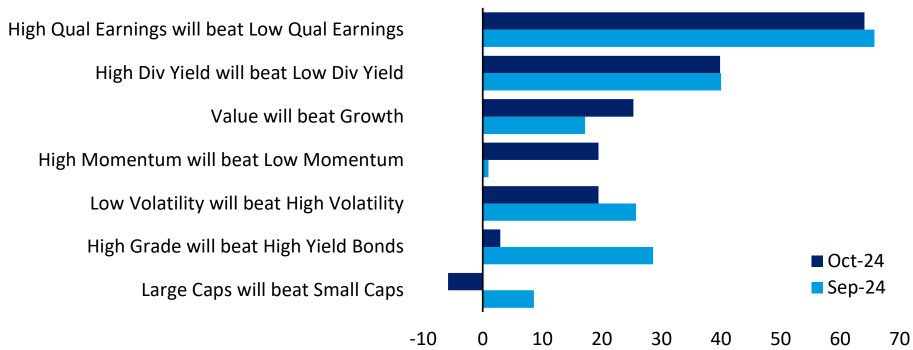
Net 44% expect global CPI to be lower in 12 months' time, down 23ppt MoM.

Investor Risk Appetite

Chart 28: Expectations for investment performance over the next 12 months
Over the next 12 months, net % FMS investors think...



Source: BofA Global Fund Manager Survey

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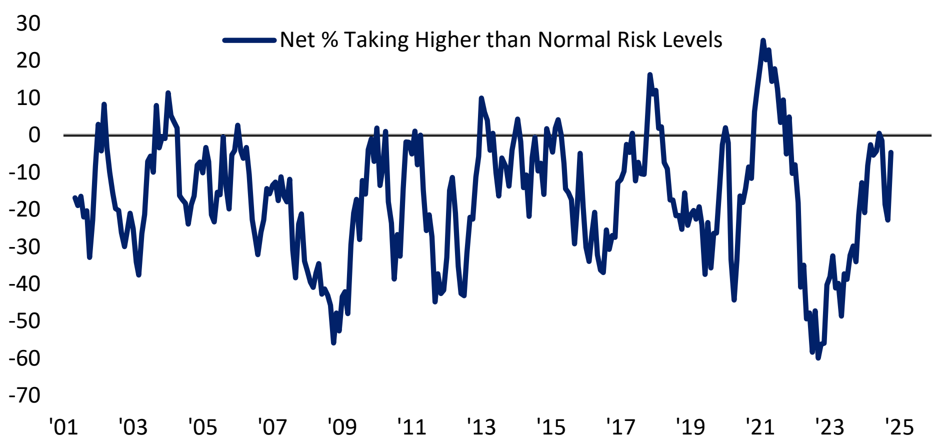
October FMS continues to show preference for quality…net 64% say high quality will outperform low quality earnings.

FMS investors now expect small caps to beat large caps (net 6%). There have been only 2 other months in the past 3 years when this has been the case: Mar'24 and Jan'24.

Net 3% of FMS investors expect high-grade to outperform high-yield bonds…vs net 29% a month ago (biggest MoM drop since Jun'20).

Chart 29: FMS investors taking higher than normal risk levels
What level of risk do you think you're currently taking relative to your benchmark?

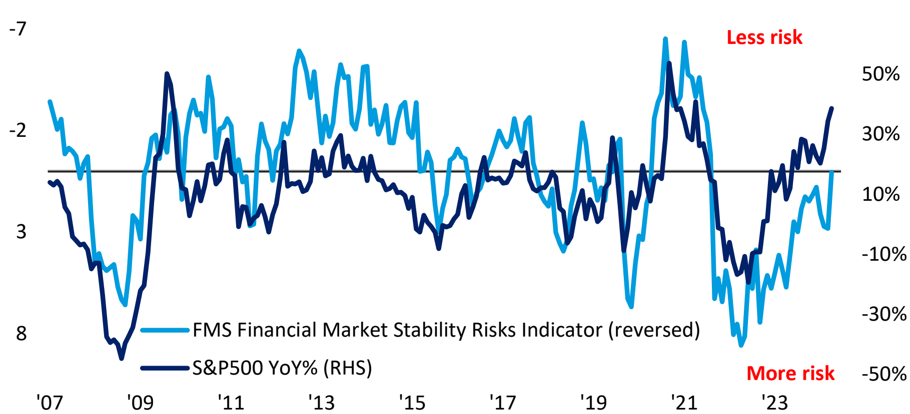


Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

Net 5% of FMS investors said they were taking lower than normal risk levels, down 18ppt MoM (biggest monthly rise in risk tolerance since Nov'20).

Chart 30: FMS Financial Market Stability Risks Indicator falls to 0.0.
FMS Financial Market Stability Risks Indicator vs S&P 500 YoY %



Source: BofA Global Fund Manager Survey, Bloomberg

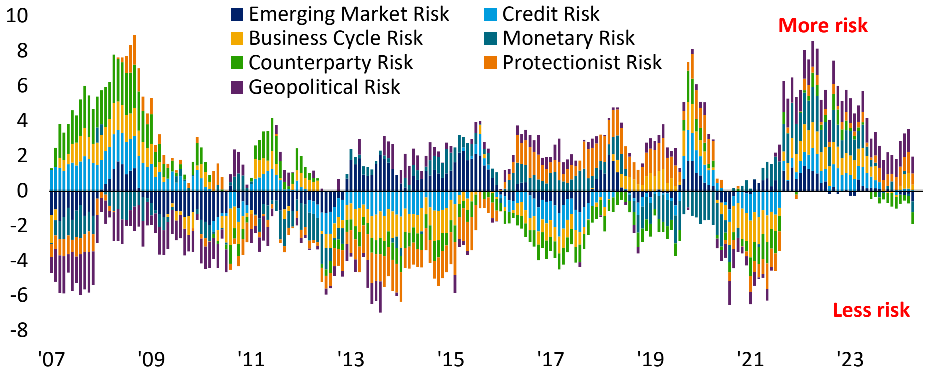
BofA GLOBAL RESEARCH

FMS Financial Market Stability Risks Indicator falls to 0.0 from 2.8.

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

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

Chart 31: FMS rating of potential risks to Financial Market Stability
Components of the FMS Financial Market Stability Risks Indicator



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

The chart shows the individual z-scores of each response to how FMS investors rated potential risks to financial market stability since '07.

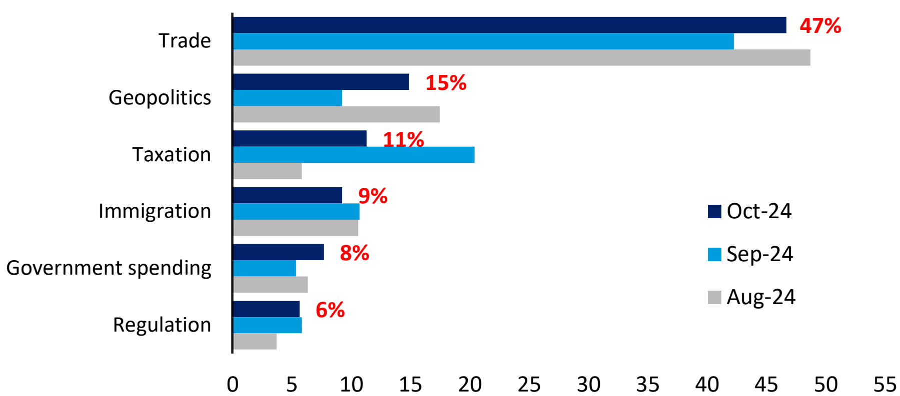
Monetary risk is 32% above normal, lowest since Feb'21.

Business cycle risk is net 55% above normal, -14ppt MoM to a 3-month low.

Perception of geopolitical risk is net 78% above normal, while perception of protectionist risk is net 65% above normal.

Investors on the US election

Chart 32: 47% see trade as most likely policy area to be impacted by US election
Which of the following policy areas are likely to be impacted the most by the US election?



Source: BofA Global Fund Manager Survey

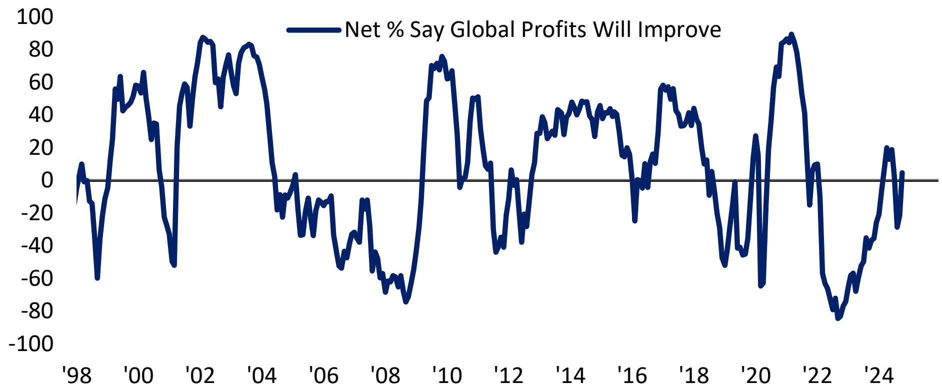
BofA GLOBAL RESEARCH

Trade is seen as the most likely policy area to be impacted by the US election, per 47% of FMS investors.

This is followed by #2 geopolitics (15%) and #3 taxation (11%).

Investors on EPS & Leverage

Chart 33: Net % of FMS investors that think global corporate profit growth will improve
Net % of FMS investors saying global profits will improve

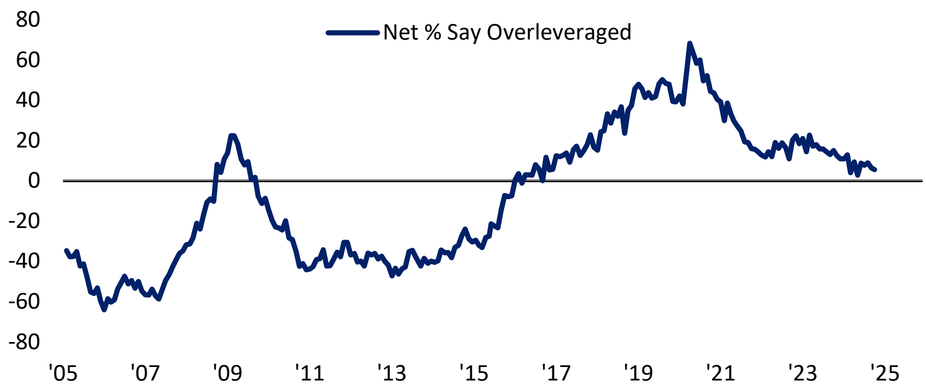


Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

Net 5% of FMS investors expect global profits to improve in the next 12 months, a 26ppt jump from last month. This is the biggest monthly increase since Jun'20.

Chart 34: Net % of FMS investors that think corporate balance sheets are overleveraged
Net% of FMS investors saying companies are overleveraged

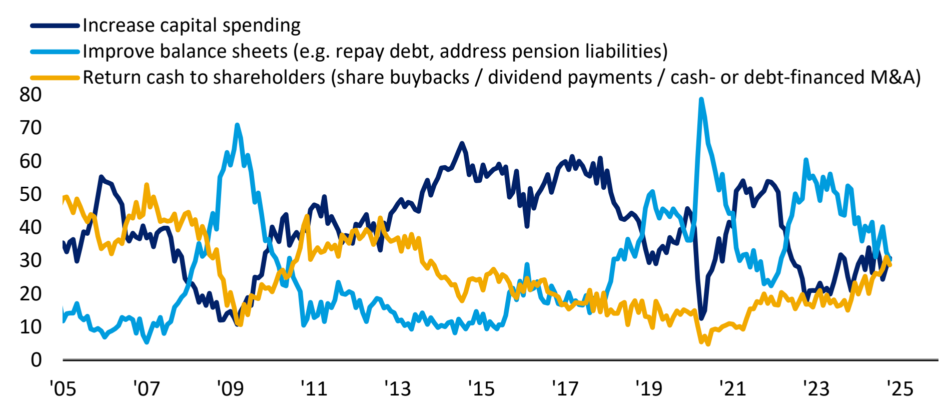


Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

Net 6% of FMS investors say companies are overleveraged (unchanged from last month).

Chart 35: What would you most like to see companies do with cash flow?
What FMS investors would most like to see companies do with cash flow



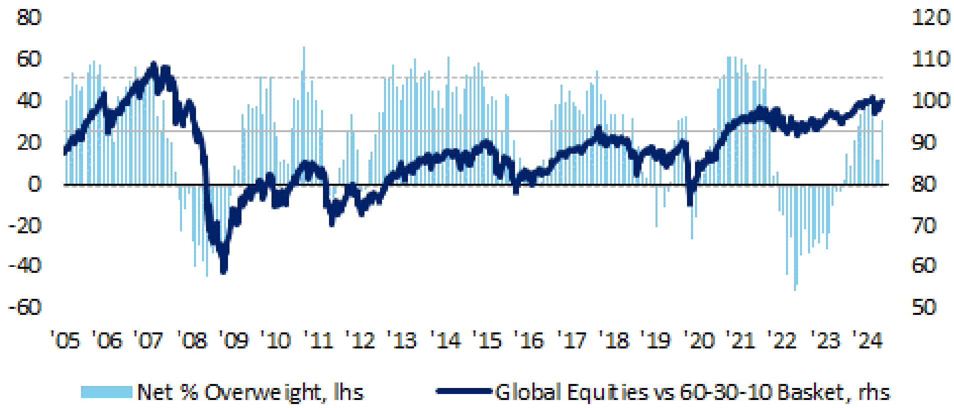
Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

Asked what companies should do with cash flow...31% of FMS investors said to increase capital spending (up 3ppt MoM) over improve balance sheets (30%) or return cash to shareholders (29%).

FMS Asset Allocation

Chart 36: Net % AA Say they are overweight Equities
Net% of FMS investors overweight equities



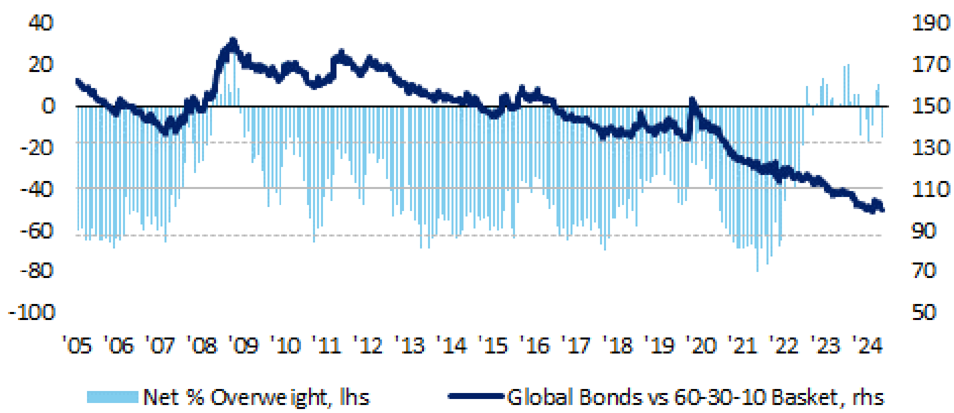
Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

FMS equity allocation is net 31% overweight, up 20ppt MoM (biggest jump since Jun'20).

Current allocation is 0.2 stdev above its long-term average.

Chart 37: Net % AA Say they are overweight Bonds
Net% of FMS investors overweight bonds



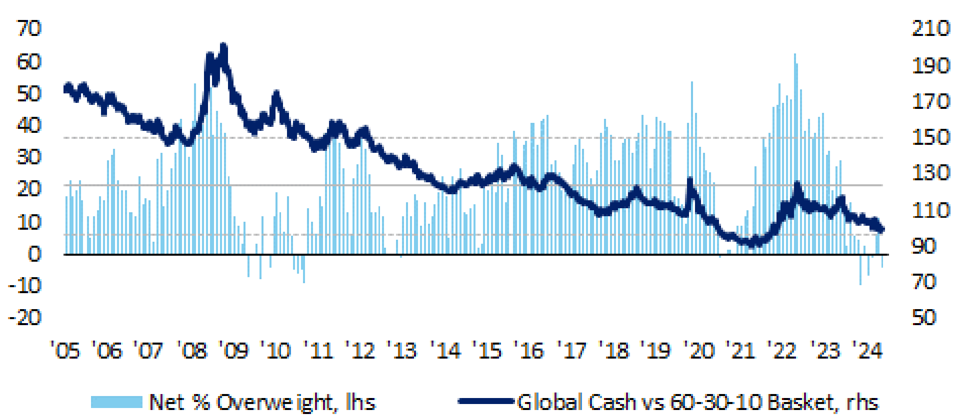
Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

FMS bond allocation is net 15% underweight, collapsing 26ppt MoM…biggest monthly decline ever.

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

Chart 38: Net % AA Say they are overweight Cash
Net% of FMS investors overweight cash



Source: BofA Global Fund Manager Survey, Datastream

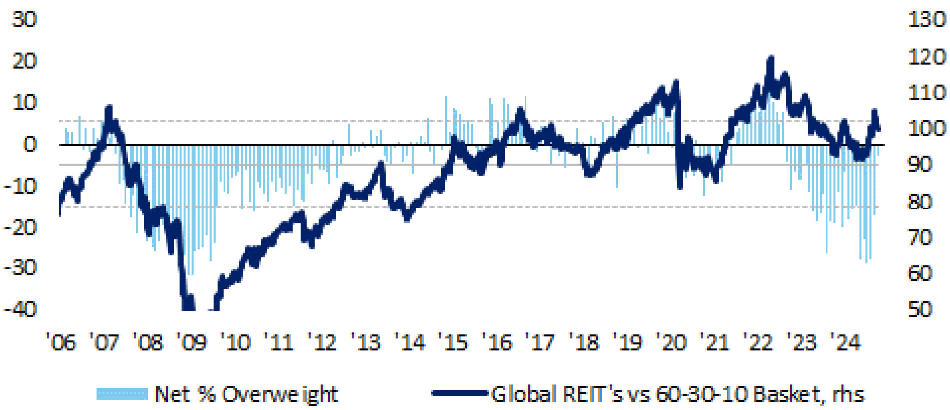
BofA GLOBAL RESEARCH

FMS cash allocation dropped 15ppt MoM to net 4% underweight (4-month low).

Current allocation is 1.8 stdev below its long-term average.

Chart 39: Net % AA Say they are overweight Real Estate

Net% of FMS investors overweight Real Estate



Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

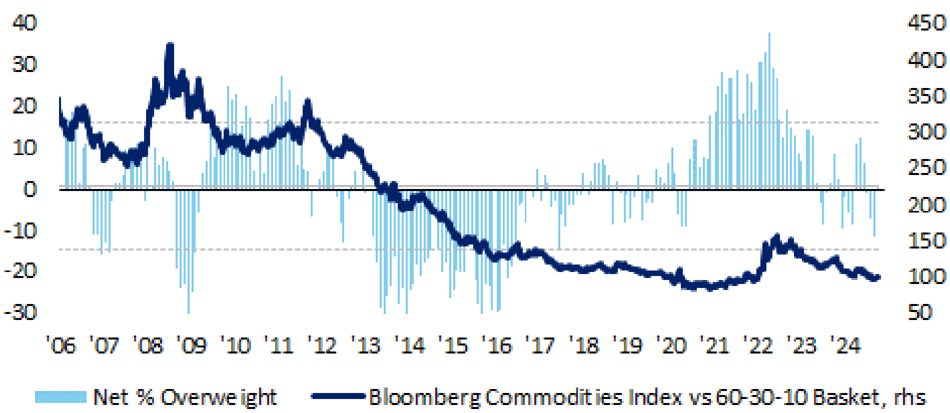
FMS real estate allocation jumped 14ppt MoM to net 3% underweight…highest allocation since Aug'22.

In the past 2 months, real estate allocation has spiked 25ppt…highest 2-month increase ever.

Current allocation is 0.2 stdev above its long term average.

Chart 40: Net % AA Say they are overweight Commodities

Net% of FMS investors overweight commodities



Source: BofA Global Fund Manager Survey, Datastream.

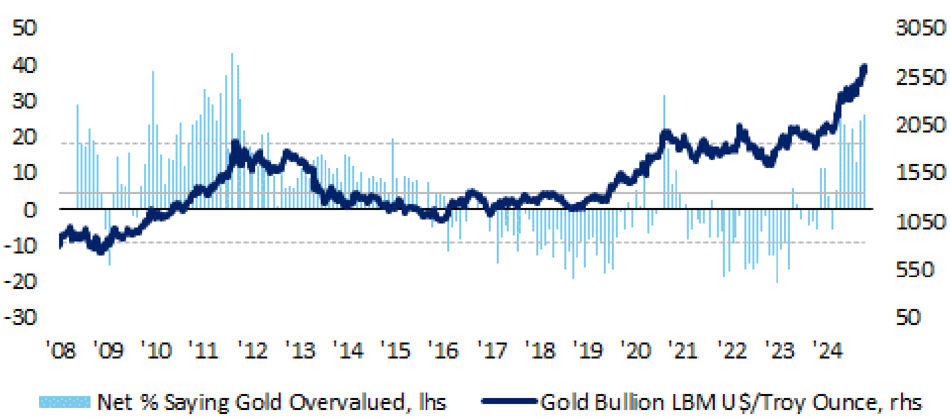
BofA GLOBAL RESEARCH

FMS commodities allocation jumped 12ppt MoM to net 1% overweight…a 4-month high.

Current allocation is in line with its long-term average.

Chart 41: Gold Valuation and Gold Price ($/oz)

Net% of FMS investors saying gold overvalued



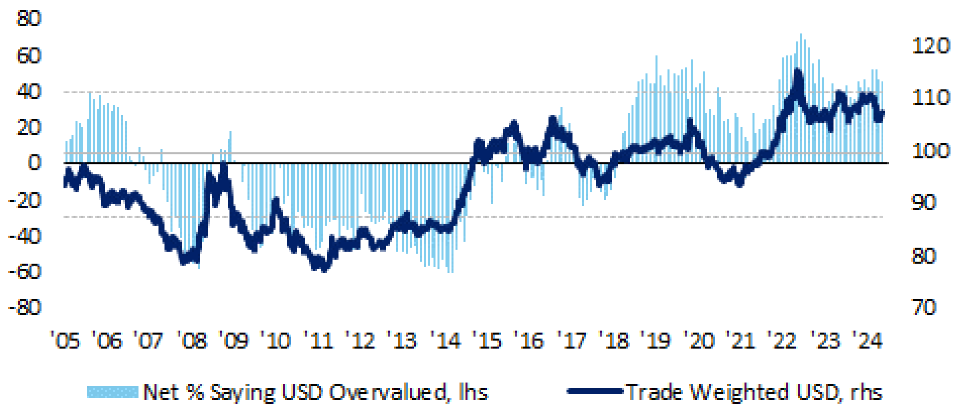
Source: BofA Global Fund Manager Survey, Datastream.

BofA GLOBAL RESEARCH

Net 26% of FMS investors say gold is overvalued, up 1ppt MoM to the highest level since Aug'20.

Currencies extremes

Chart 42: USD Valuation and Trade weighted index
Net% of FMS investors saying USD overvalued



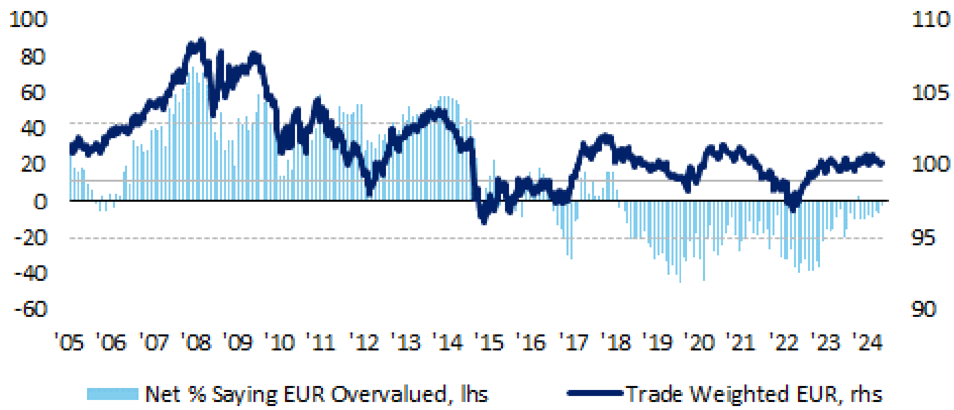
Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

Net 46% of FMS investors say US$ is overvalued, down 1ppt MoM.

Current valuations are 1.2 stdev above the long-term average.

Chart 43: EUR valuation and Trade weighted index
Net% of FMS investors saying EUR overvalued



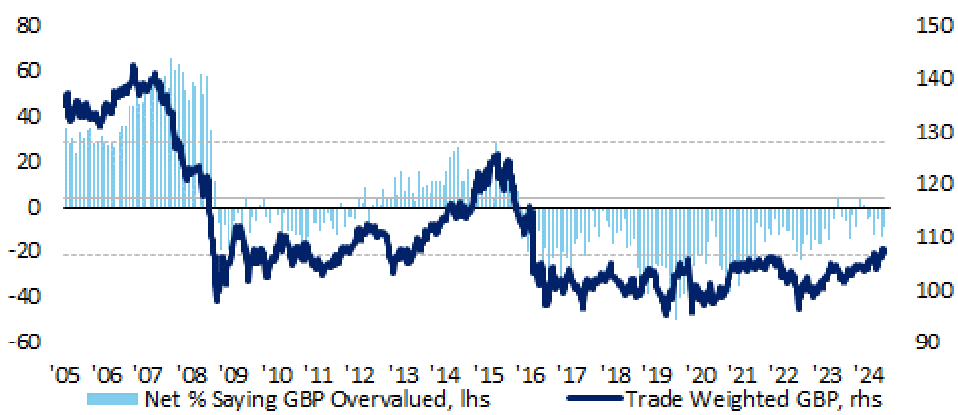
Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

Net 2% of FMS investors say EUR is undervalued, down 5ppt MoM.

Current valuations are 0.4 stdev below the long-term average.

Chart 44: GBP valuation and Trade weighted index
Net % of FMS investors saying GBP overvalued



Source: BofA Global Fund Manager Survey, Datastream

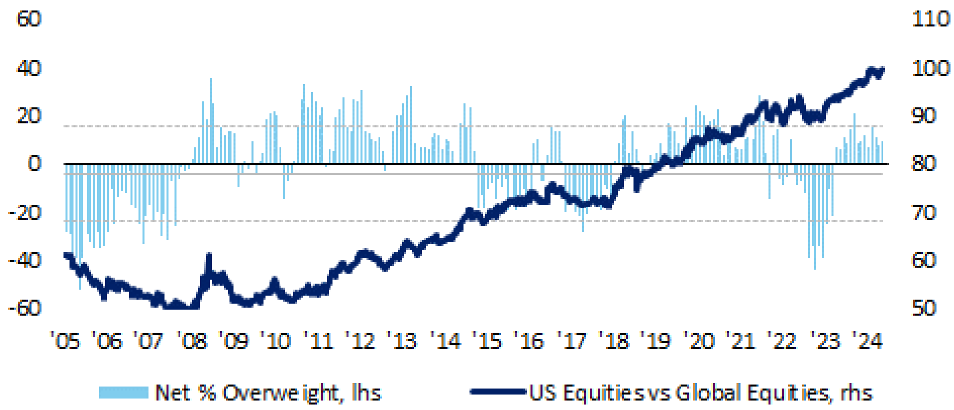
BofA GLOBAL RESEARCH

Net 9% of FMS investors think GBP is undervalued, down 5ppt MoM.

Current valuations are 0.5 stdev below the long-term average.

Investor Regional Equity Allocation

Chart 45: Net % AA Say they are overweight US Equities
Net% of FMS investors overweight US equities



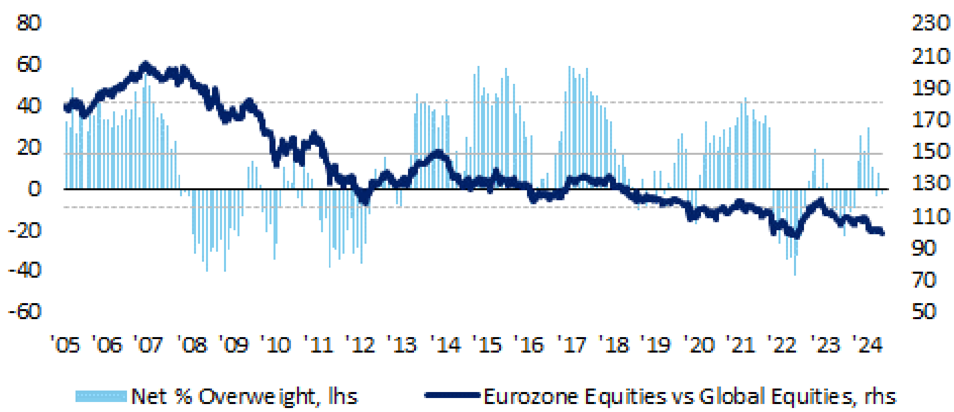
Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

Allocation to US equities rose 2ppt MoM to net 10% overweight.

Current allocation is 0.6 stdev above its long-term average.

Chart 46: Net % AA Say they are overweight Eurozone Equities
Net% of FMS investors overweight EU equities



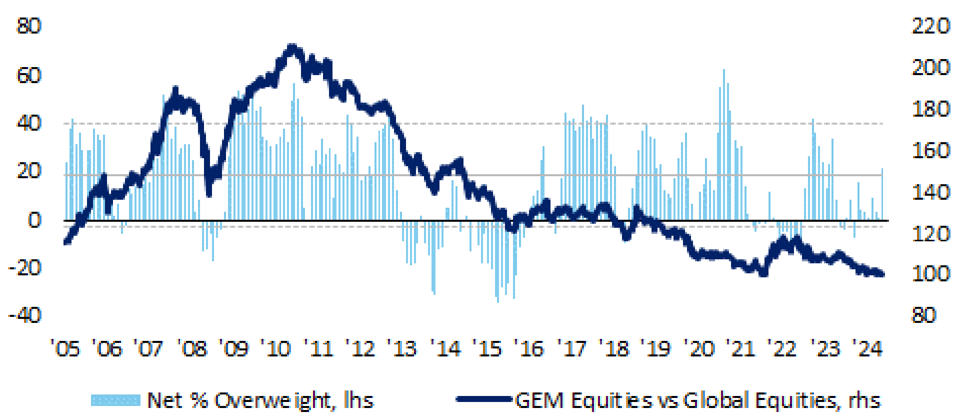
Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

Allocation to Eurozone equities fell 11ppt MoM to net 3% underweight.

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

Chart 47: Net % AA Say they are overweight GEM Equities
Net% of FMS investors overweight EM equities



Source: BofA Global Fund Manager Survey, Datastream

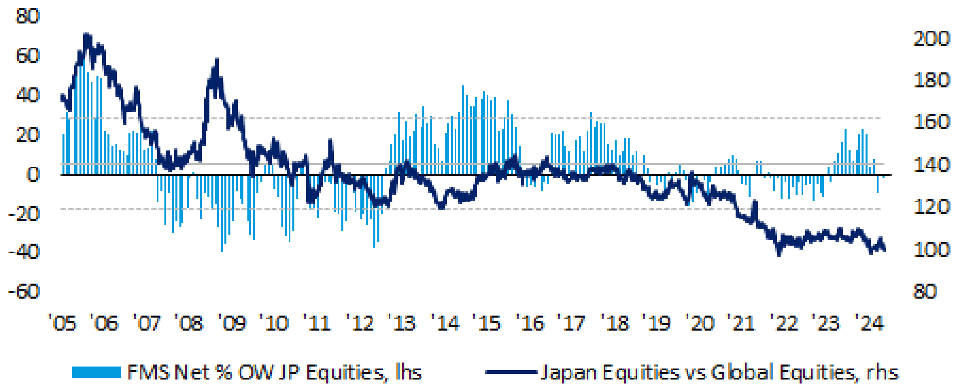
BofA GLOBAL RESEARCH

Allocation to EM equities spiked 20ppt to net 21% overweight, highest since Aug'23.

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

Chart 48: Net % AA Say they are overweight Japanese Equities

Net% of FMS investors overweight Japanese equities



Source: BofA Global Fund Manager Survey, Datastream

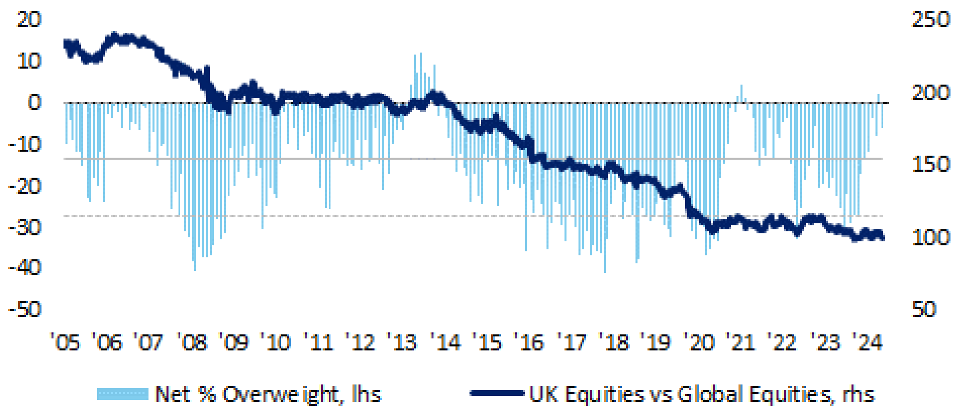
BofA GLOBAL RESEARCH

Allocation to Japanese equities was down 1ppt MoM to net 2% underweight.

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

Chart 49: Net % AA Say they are overweight UK Equities

Net% of FMS investors overweight UK equities



Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

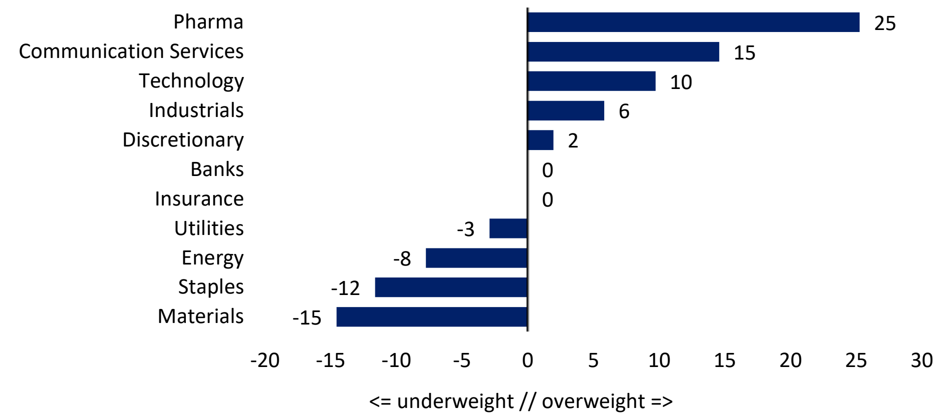
Allocation to UK equities fell 8ppt MoM to net 6% underweight.

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

Investor Sector Allocation

Chart 50: Global Sector Sentiment

Net % overweight (% saying overweight - % saying underweight)



Source: BofA Global Fund Manager Survey

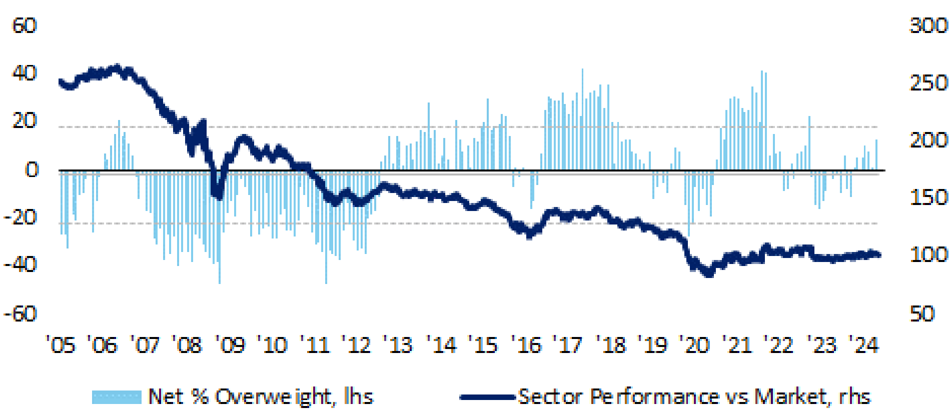
BofA GLOBAL RESEARCH

October saw FMS investors increasing allocation to discretionary, industrials, and energy, and reducing allocation to staples, banks, and utilities.

FMS investors are the most (net) overweight healthcare, telecom, and tech, and the most (net) underweight materials, staples, and energy.

Chart 51: Global Banks

Net % of FMS investors overweight banks



Source: BofA Global Fund Manager Survey, Datastream

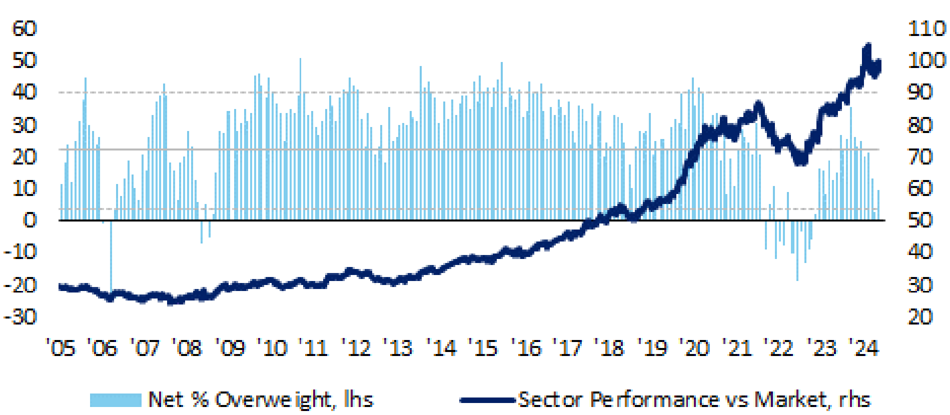
BofA GLOBAL RESEARCH

Allocation to banks fell 12ppt MoM to neutral weight (lowest since Feb'24).

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

Chart 52: Global Technology

Net % of FMS investors overweight technology



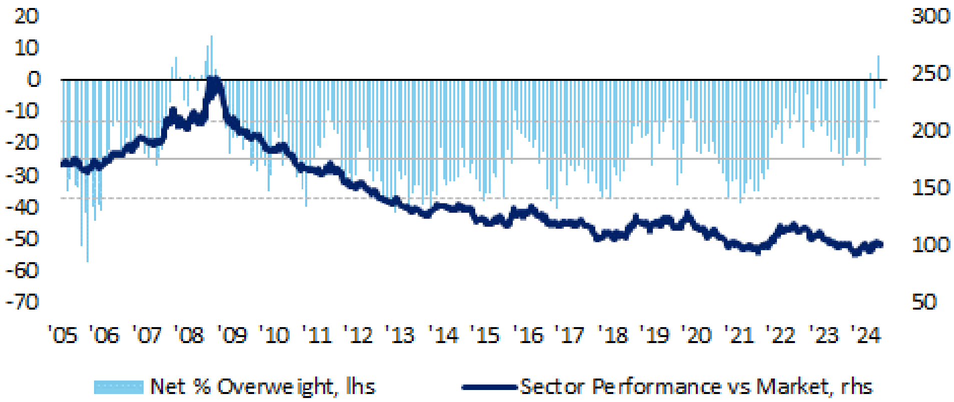
Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

Allocation to technology rose 7ppt MoM to net 10% overweight.

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

Chart 53: Global Utilities
Net % of FMS investors overweight utilities



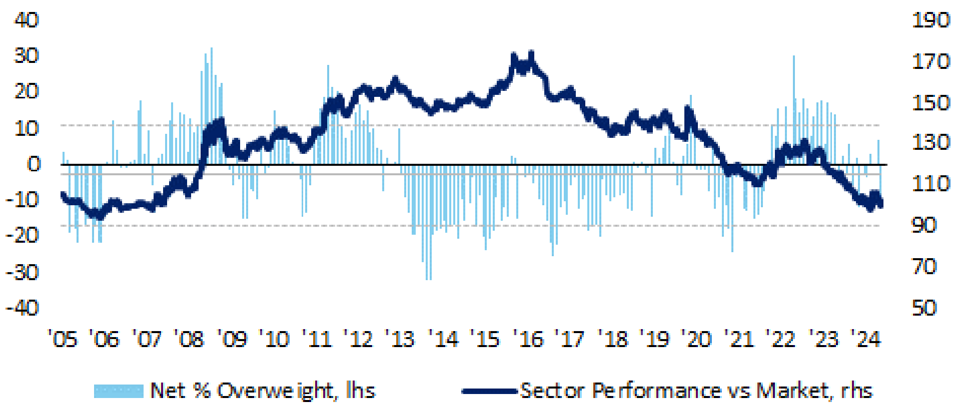
Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

Allocation to utilities fell 11ppt MoM to net 3% underweight.

Current reading is 1.9 stdev above its long-term average.

Chart 54: Global Consumer Staples
Net % of FMS investors overweight consumer staples



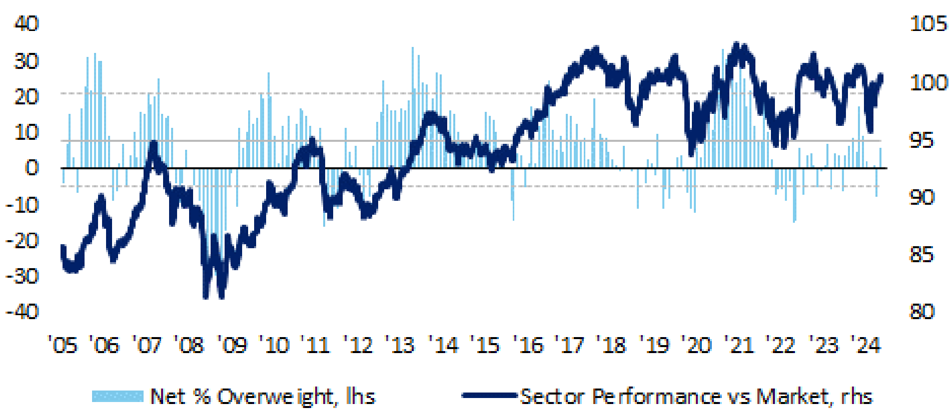
Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

Allocation to staples collapsed 19ppt MoM to net 12% underweight.

Current reading is 0.6 stdev below its long-term average.

Chart 55: Global Industrials
Net % of FMS investors overweight industrials



Source: BofA Global Fund Manager Survey, Datastream

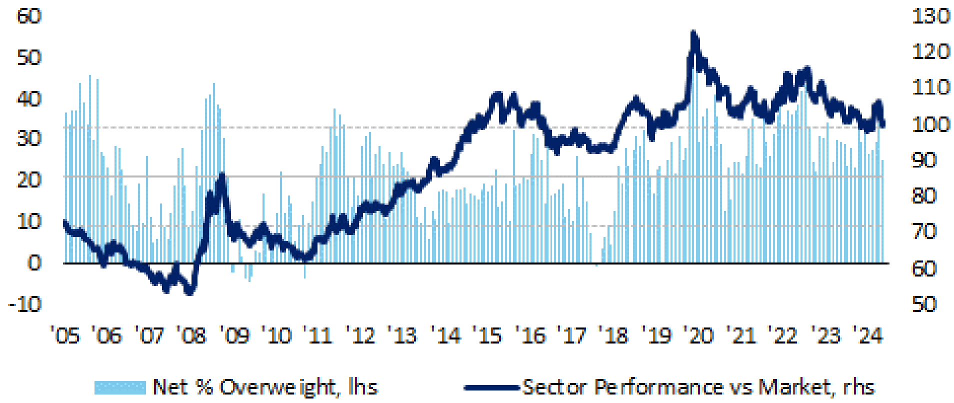
BofA GLOBAL RESEARCH

Allocation to industrials increased 14ppt MoM to net 6% overweight (5-month high).

Current reading is 0.1 stdev below its long-term average.

Chart 56: Global Healthcare

Net% of FMS investors overweight healthcare



Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

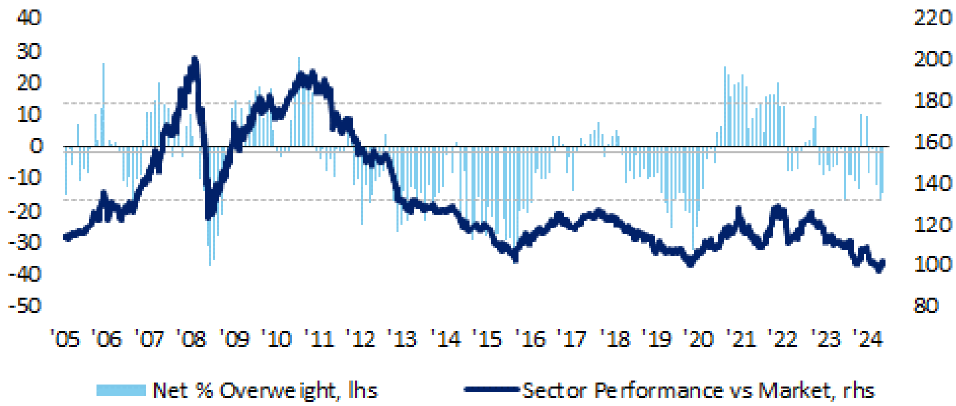
Allocation to healthcare fell 9ppt MoM to net 25% overweight.

FMS investors have been overweight healthcare since Jan'18.

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

Chart 57: Global Materials

Net% of FMS investors overweight materials



Source: BofA Global Fund Manager Survey, Datastream

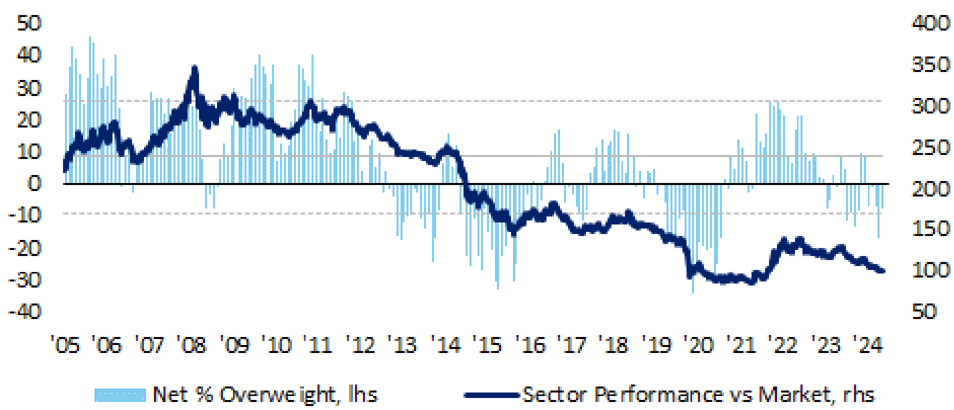
BofA GLOBAL RESEARCH

Allocation to materials was up 2ppt MoM to net 15% underweight.

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

Chart 58: Global Energy

Net% of FMS investors overweight energy



Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

Allocation to energy increased 9ppt MoM to net 8% underweight.

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

Global survey demographics data

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

	Oct-24	Sep-24	Aug-24
Structure of the panel - by position			
Chief Investment Officer	34	36	32
Asset Allocator / Strategist / Economist	61	64	58
Portfolio Manager	91	93	88
Other	9	13	11
Structure of the Panel - by expertise			
Global Specialists Only	103	105	98
Regional Specialists with a Global View	92	101	91
Total # of Respondents to Global Questions	195	206	189
Which of the Following Best Describes the Type of Money You are Running?			
Institutional funds (e.g. pension funds / insurance companies)	52	58	57
Hedge funds / proprietary trading desks	24	26	21
Mutual funds / unit trusts / investment trusts	90	91	78
None of the above	29	31	33
What Do You Estimate to be the Total Current Value of Assets Under Your Direct Control?			
Up to $250mn	36	32	34
Around $500mn	23	25	24
Around $1bn	32	27	27
Around $2.5bn	26	31	24
Around $5bn	15	21	14
Around $7.5bn	8	7	8
Around $10bn or more	25	31	27
No funds under my direct control	30	32	31
Total (USD bn)	503	593	508
What best describes your investment time horizon at this moment?			
3 months or less	72	66	65
6 months	44	52	49
9 months	13	16	14
12 months or more	64	69	58
Weighted average	7.1	7.3	7.0
Don't know	2	3	3

Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

Disclosures

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

[R1]Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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