Global Fund Manager Survey

The Sixth Sense

BofA October Global Fund Manager Survey

Bottom Line: heading into midterms, FOMC & Q3 earnings, investors remain bullish on macro & markets, running low 3.9% cash levels, waiting for ~6% yields before flipping from stocks to bonds; relative to FMS positioning, big consumer +ve drop in oil to <$80/bbl = the Q4 bull surprise, AI capex cut = the bear surprise.

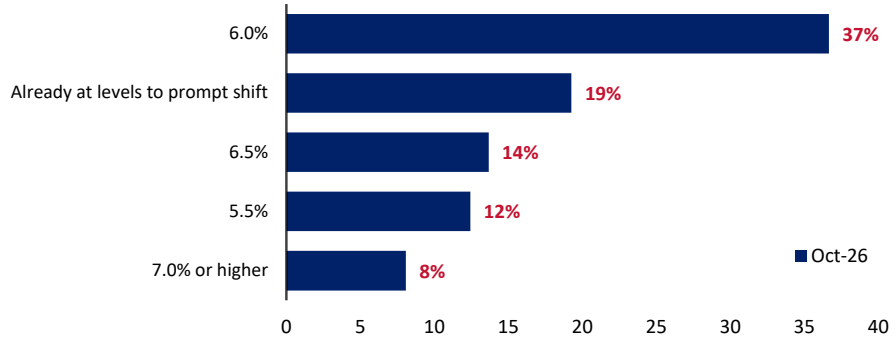
On Macro: "boom" optimism highest since Feb'22, inflation expectations lowest since Jan'25, bond pessimism lowest since May'25; 6 in 10 investors expect double-digit EPS growth next year; 76% say no Fed hike at Oct 28th FOMC.

On Crowds, Risks & AI: most crowded trades = long global semis (45%) & short USTs (27%); biggest tail risks = disorderly bond yields (31%) & AI bubble (23%); most likely source of credit event = AI hyperscaler capex (39%) & govt debt (28%); AI capex cuts coming...no say 57%, yes say 30%; AI bubble in '27...no say 32%, yes say 45%.

On AA: asked what 10-year Treasury yield would cause allocators to shift from stocks to bonds...37% say 6.0%, 19% already shifting, 14% say 6.5% (Chart 1); Oct sees biggest bond short-cover in past year, equity longs dip from net 49% to 44%; biggest tech overweight since Aug'20, biggest cut to bank longs since Mar'23, most underweight consumer discretionary since Jul'08.

FMS Contrarian Trades: long bonds, REITs, consumer discretionary/staples, short stocks, tech, banks, EM.

Chart 1: Investors say 10-year UST yield at 5.9% would prompt AA shift to bonds
At what 10y Treasury yield would you consider shifting your allocation from stocks to bonds?



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

13 October 2026

Investment Strategy
Global

BofA Data Analytics

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Notes to Readers

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

Survey period October 2nd to 8th, 2026

185 panellists with $512bn AUM participated in the survey. 161 participants with $453bn AUM responded to the Global FMS questions and 95 participants with $245bn 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

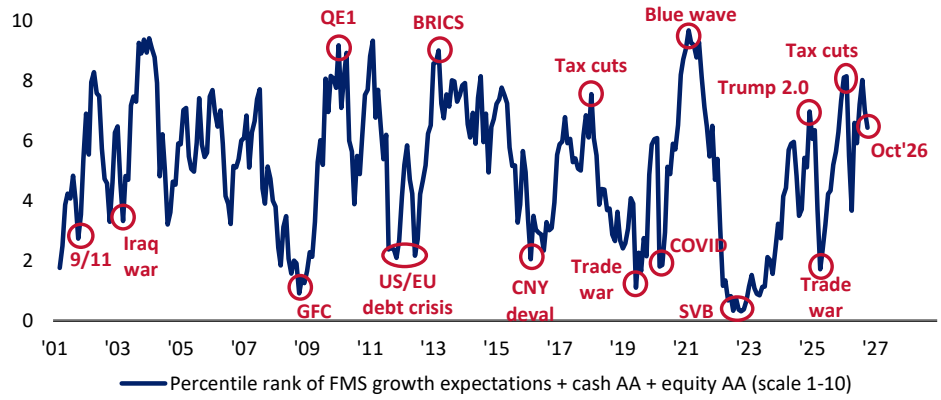
AA: asset allocation

Trading ideas and investment strategies discussed herein may give rise to significant risk and are not suitable for all investors. Investors should have experience in relevant markets and the financial resources to absorb any losses arising from applying these ideas or strategies.
BofA Securities does and seeks to do business with issuers covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.
Refer to important disclosures on page 26 to 28. **13027328**

Timestamp: 13 October 2026 12:30AM EDT

Charts of the Month

Chart 2: BofA Global FMS investor sentiment no longer uber bullish
Percentile rank of FMS growth expectations, cash level, and equity allocation



Source: BofA Global Fund Manager Survey

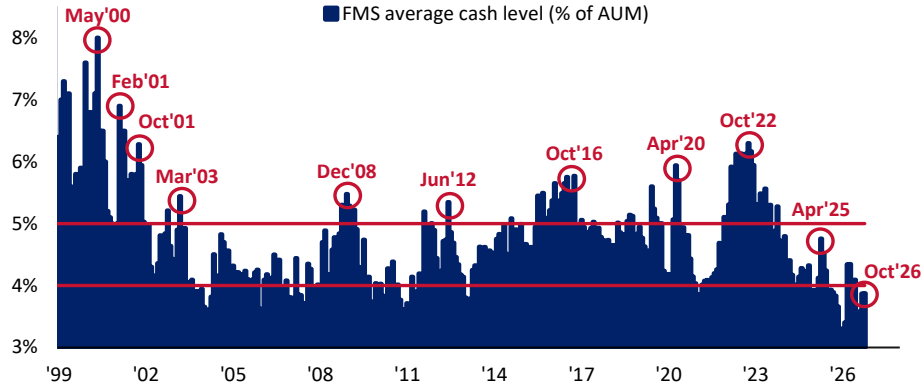
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October BofA Global FMS investor sentiment pulled back to the least bullish since Jun'26.

Our broadest measure of FMS sentiment, based on cash levels, equity allocation, and global growth expectations, fell to 6.4 from 7.0.

The BofA Bull & Bear Indicator stays at 8.1 (old B&B at 5.7).

Chart 3: FMS cash level remains at 3.9%
BofA FMS average cash level (% of AUM)



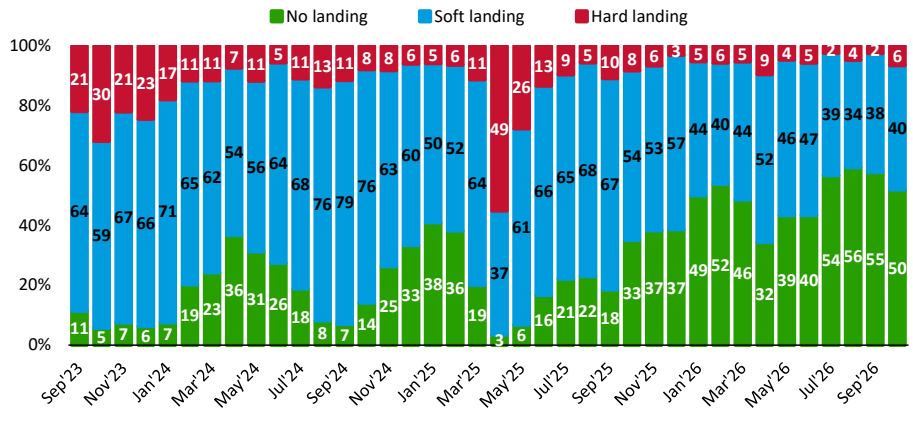
Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

BofA FMS cash level remained at 3.9% in October, above recent 3.5% low in bullish Aug'26 FMS but still well below the 4.8% high seen in v bearish Apr'25 FMS.

BofA Global FMS Cash Rule remains in "sell signal" territory ("sell" when cash is at or below 4.0%).

Chart 4: 50% say "no landing," 40% "soft landing," and 6% "hard landing"
What is the most likely outcome for the global economy in the next 12 months?



Source: BofA Global Fund Manager Survey

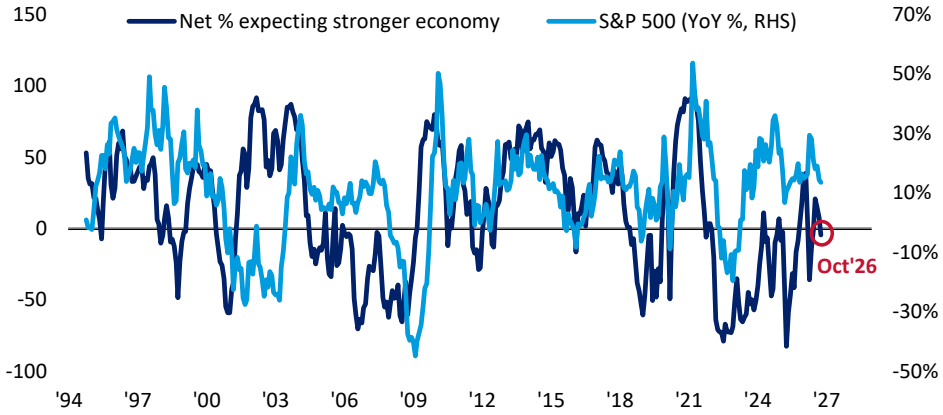
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Asked about the most likely outcome for the global economy is in the next 12 months...

50% of investors still expect "no landing," down from 55% in Sept to lowest since Jun'26.

40% expect a "soft landing", while 6% expect a "hard landing".

Chart 5: Growth expectations turn negative for the 1st time in 4 months
Net % expecting stronger economy and S&P 500 (YoY %)



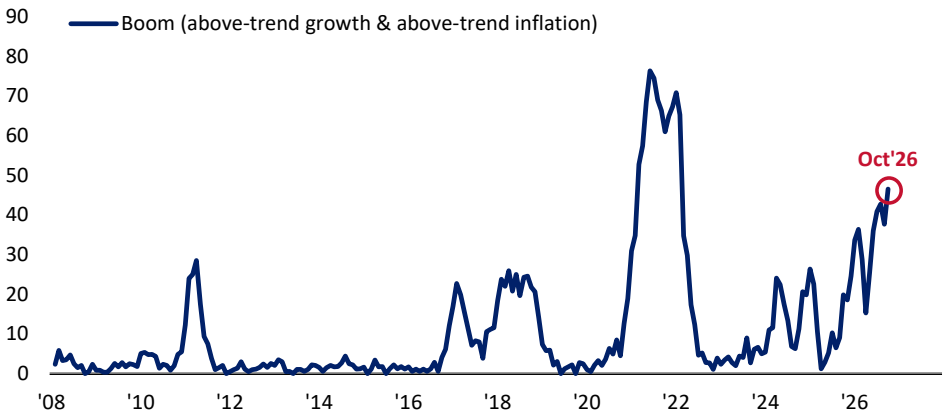
Source: BofA Global Fund Manager Survey, Bloomberg

BofA GLOBAL RESEARCH

FMS investors turned negative on the global growth outlook in October...net 4% expect the economy to get weaker over the next 12 months (flips from net 8% expecting a *stronger* economy last month).

Growth expectations are slowing, and US equity performance is also moderating.

Chart 6: "Boom" expectations highest since Feb'22
% of FMS investors that expect above-trend growth & above-trend inflation next 12 months



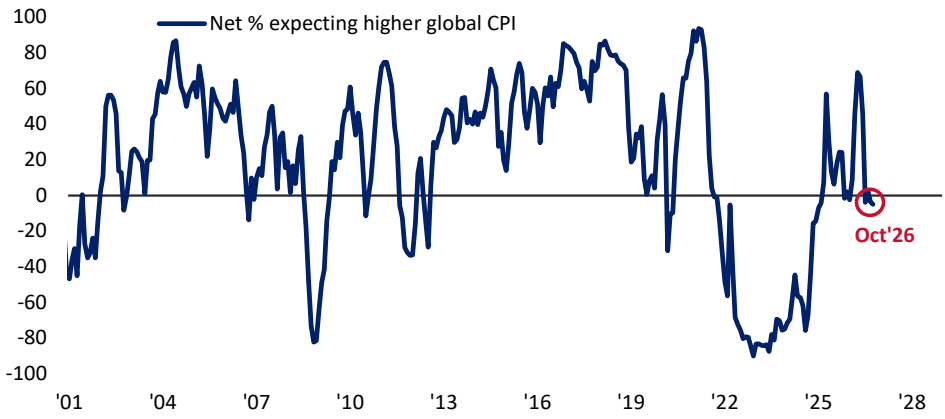
Source: BofA Global Fund Manager Survey

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Asked how to best describe the global economy over the next 12 months...

Net 47% of FMS investors said they expect above-trend growth & above-trend inflation ("boom"), the most since Feb'22.

Chart 7: Inflation expectations fall to lowest since Jan'25
Net % expecting higher global CPI



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

FMS inflation expectations have fallen to the lowest since Jan'25.

Net 5% of FMS investors now expect *lower* global CPI in 12 months' time.

Note Oct FMS investors predict Brent oil price ends the year lower at $94/bbl (weighted average – see Chart 33).

Chart 8: Bond yield pessimism lowest since May'25
Net % expecting higher long-term rates



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

Pessimism on bond yields fell to the lowest since May'25...just net 1% of FMS investors expect higher long-term rates, down from 15% in Sep.

Chart 9: FMS expectations for double-digit earnings growth pulls back to 4-month low
Net % expect global corporate earnings to rise 10% or more over the next 12 months

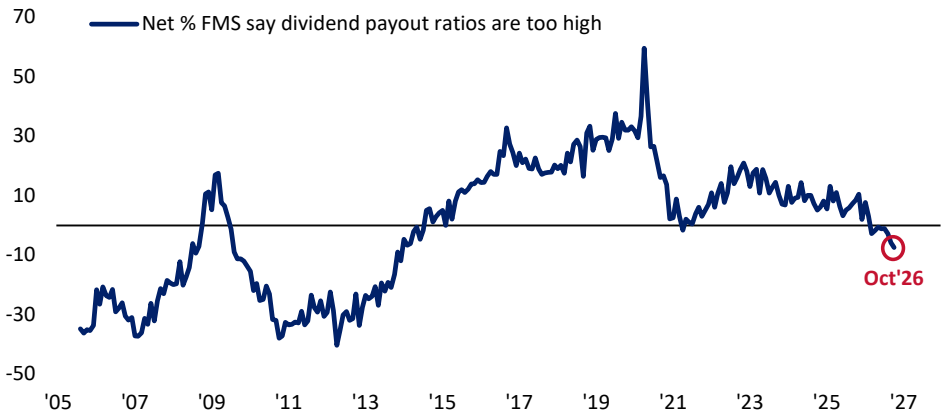


Source: BofA Global Fund Manager Survey

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On profits...net 21% expect corporate earnings to rise 10% or more over the next 12 months.

Chart 10: Net 7% say payout ratios are *too low*, most since Dec'13
Net % FMS say dividend payout ratios are too high



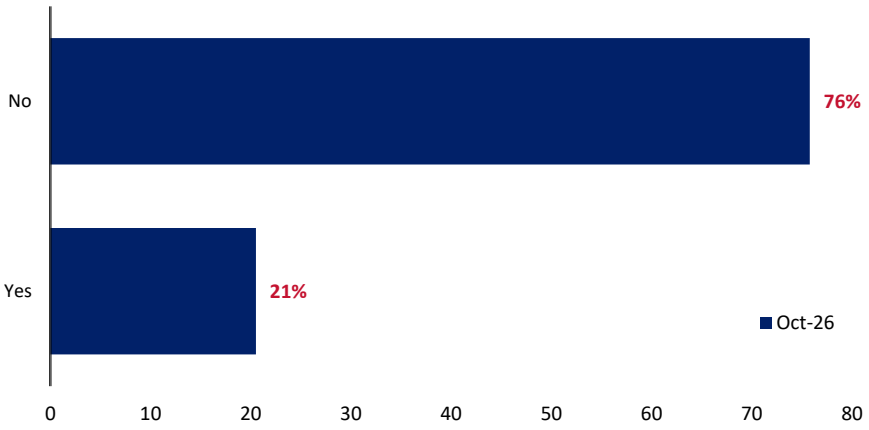
Source: BofA Global Fund Manager Survey

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Net 7% of FMS investors said that current dividend payout ratios are too low, the most since Dec'13.

Investors are demanding higher dividend payouts on the back of robust corporate earnings growth.

Chart 11: 76% of FMS do not expect the Fed to hike in October
Will the Fed hike on Oct 28th?



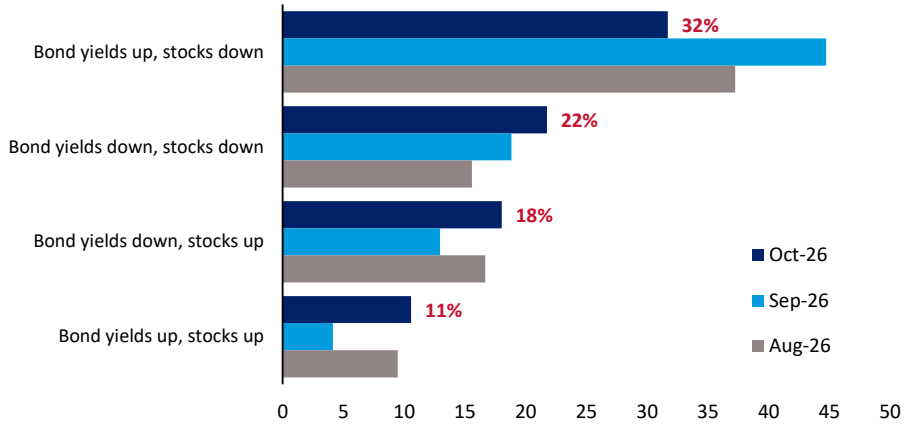
Source: BofA Global Fund Manager Survey

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Asked whether the Fed will hike or not at the next FOMC meeting on Oct 28th...76% of FMS investors said they do not expect the Fed to hike.

Note the Oct 28th Fed rate decision will take place just 6 days before the US midterm elections.

Chart 12: 32% expect bond yields up & stocks down if Democrats win both the House & Senate
Most likely market reaction to DEM sweep (GOP lose both House and Senate) at the midterms



Source: BofA Global Fund Manager Survey

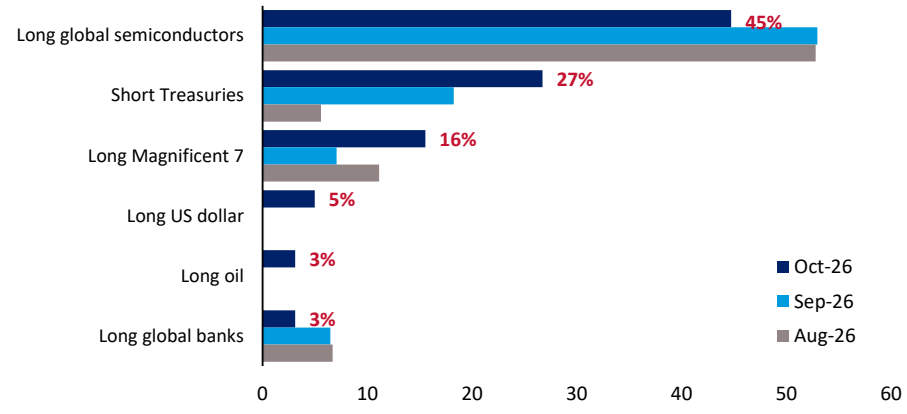
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Asked about the potential market reaction in the case of a Democratic sweep...

32% expect bond yields up and stocks down (down from 44% in Sep).

Another 22% expect both bond yields and stocks down (up from 19%), while 18% expect bond yields down and stocks up (up from 13%).

Chart 13: Most crowded trade = "long global semiconductors"
What do you think is currently the most crowded trade?



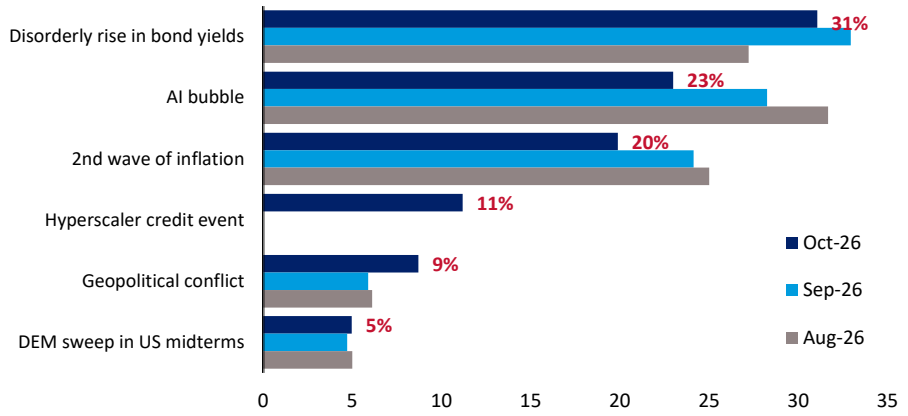
Source: BofA Global Fund Manager Survey

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In October, 45% of FMS investors say "long global semiconductors" is the most crowded trade (but down from peak 82% in Jul'26).

"Short Treasuries" remains the 2nd most crowded trade (27%, up from 18%).

Chart 14: Disorderly rise in bond yields viewed as the biggest 'tail risk'
What do you consider the biggest 'tail risk'?

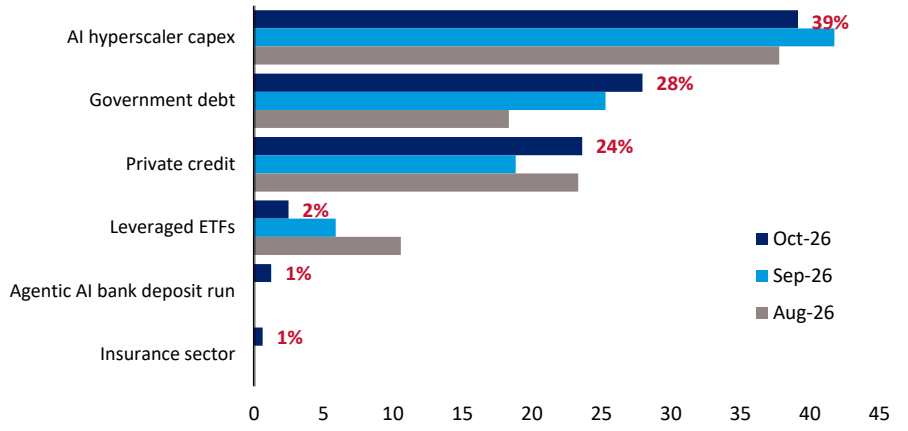


Source: BofA Global Fund Manager Survey

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Investors believe that the biggest tail risk to markets is a "disorderly rise in bond yields" (31%), then "AI bubble" (23%), "2nd wave of inflation" (20%), and "hyperscaler credit event" (11%).

Chart 15: Most likely source of a systemic credit event = "AI hyperscaler capex"
What is the most likely source of a systemic credit event?



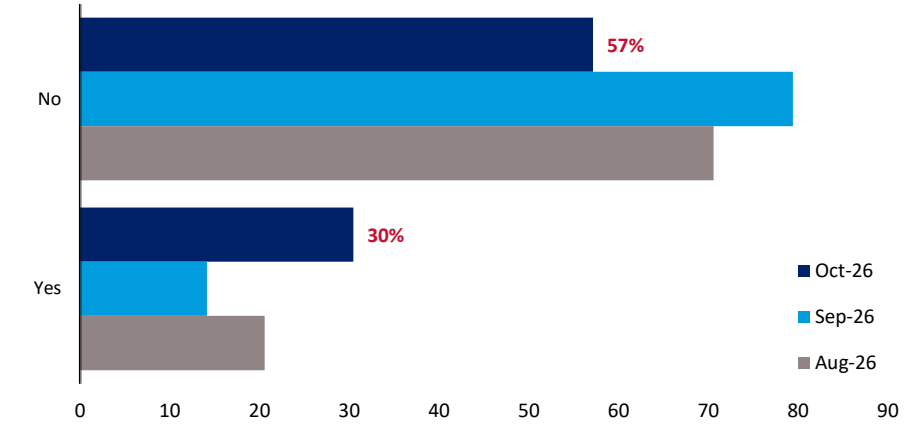
Source: BofA Global Fund Manager Survey

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In October, AI hyperscaler capex continues to be viewed as the most likely source of a systemic credit event (per 39%).

The 2nd most likely source is "government debt" (28%).

Chart 16: Majority say no AI capex cut, but growing share (30%) now expect a cut next 6 months
Will one of the AI hyperscalers announce a cut in capex in the next 6 months?



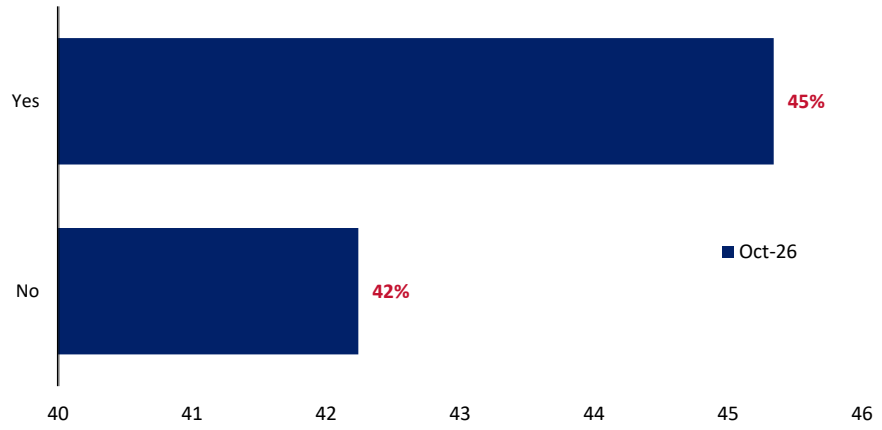
Source: BofA Global Fund Manager Survey

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The majority (57%) of FMS investors still expect no AI capex cut in the next 6 months.

That said, the number that do expect an AI hyperscaler capex cut is starting to rise...30%, from 14% last month.

Chart 17: 45% of FMS investors think there will be an AI bubble in 2027
Do you think there will be an AI bubble in 2027?

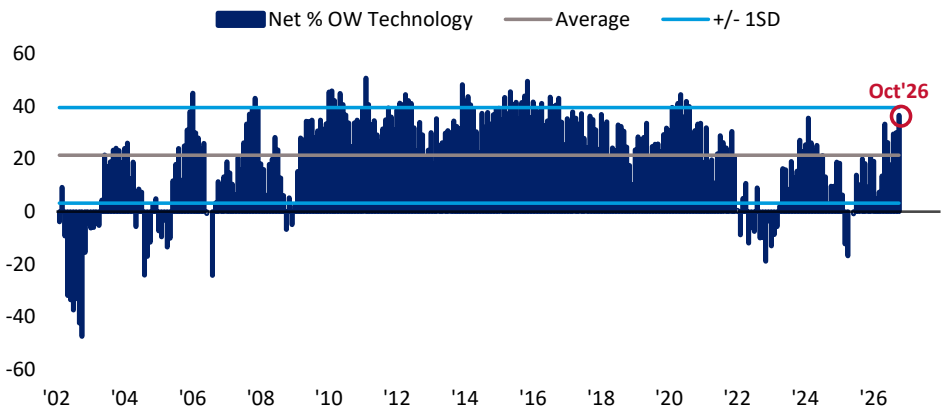


Source: BofA Global Fund Manager Survey

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Asked whether there will be an AI bubble in 2027, 45% of FMS investors said yes (42% said no).

Chart 18: FMS investors are the most overweight technology since Aug'20
FMS net % overweight technology



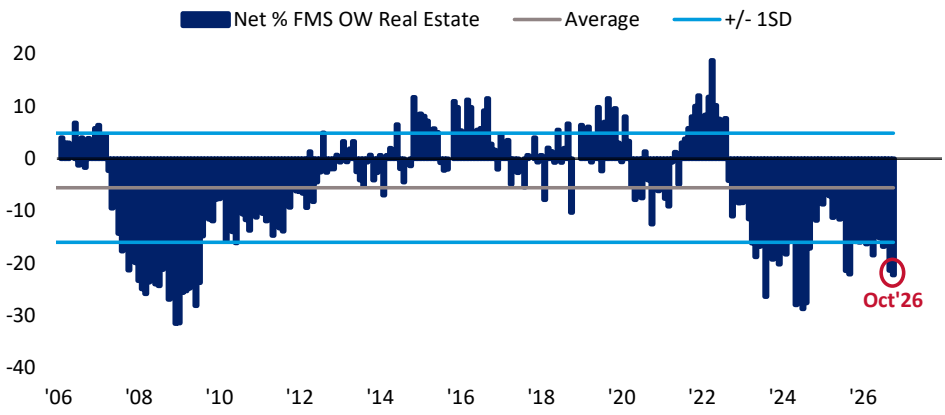
Source: BofA Global Fund Manager Survey

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Looking across FMS sector and asset positioning, the more extreme overweights/underweights are in technology, real estate, and consumer discretionary...

In October, FMS investors are net 37% overweight technology...most since Aug'20.

Chart 19: Biggest UW to real estate since Aug'24
FMS net % overweight real estate

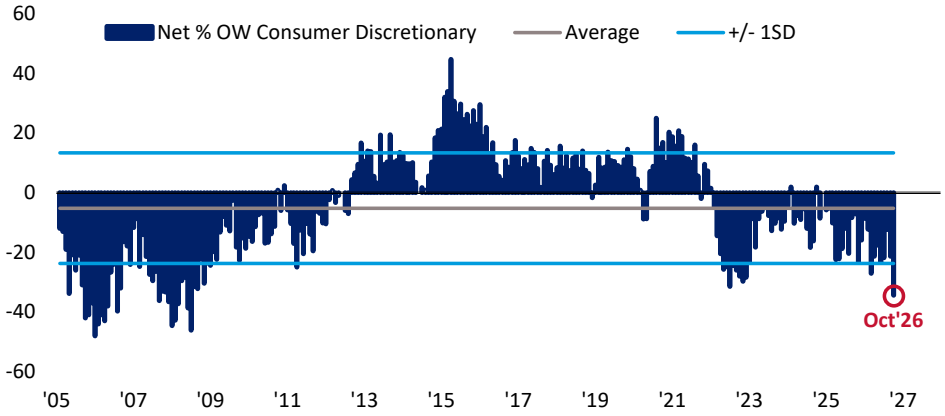


Source: BofA Global Fund Manager Survey

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FMS investors are net 22% underweight real estate...biggest underweight since Aug'24.

Chart 20: Biggest UW to consumer discretionary since Jul'08
FMS net % overweight consumer discretionary

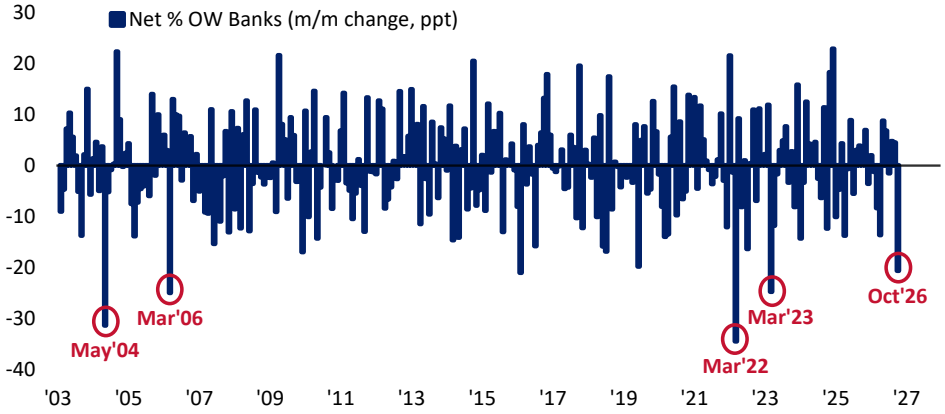


Source: BofA Global Fund Manager Survey

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FMS investors are net 34% underweight consumer discretionary...biggest underweight since Jul'08.

Chart 21: Biggest monthly drop in allocation to banks since Mar'23
FMS net % overweight banks (m/m change, ppt)

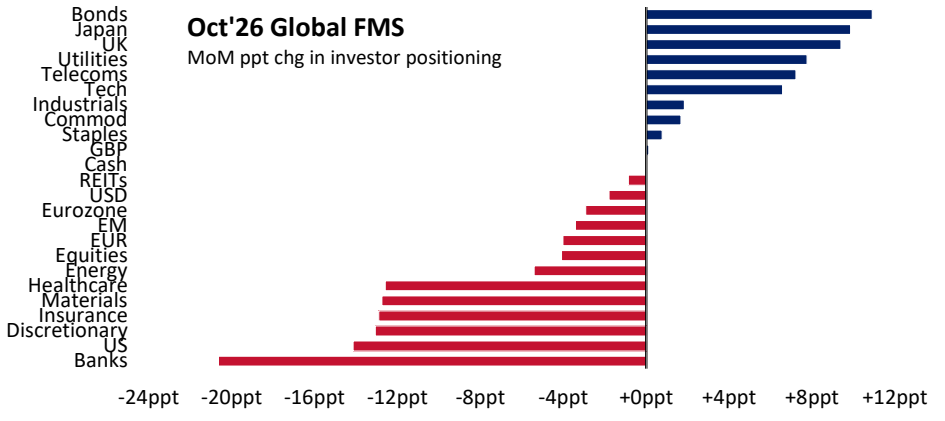


Source: BofA Global Fund Manager Survey

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In October, allocation to banks dropped 21ppt MoM to net 13% overweight. This is the biggest monthly drop since Mar'23 (and the lowest allocation since Apr'26).

Chart 22: Oct rotation into bonds, Japan/UK, utilities and out of banks, US, discretionary
Monthly change in FMS investor positioning



Source: BofA Global Fund Manager Survey

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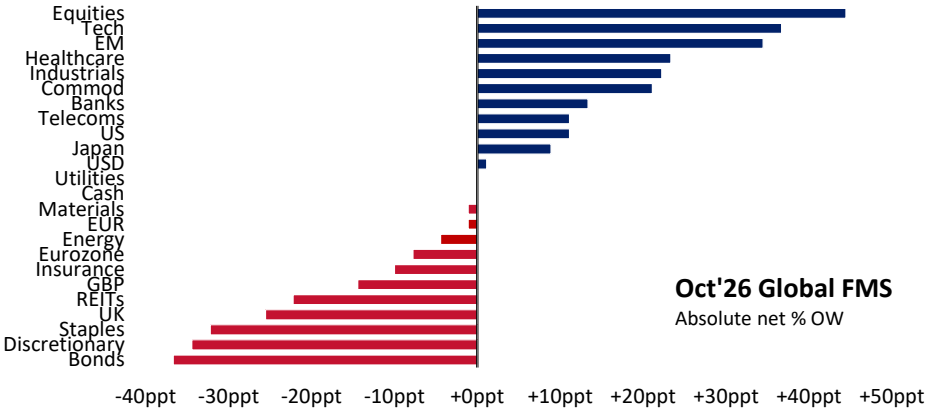
This chart shows October's monthly changes in FMS investor allocation.

Investors increased allocation to bonds, Japan & UK stocks, utilities...

...and reduced allocation to banks, US stocks, and consumer discretionary.



Chart 23: FMS most OW global stocks, tech, EM stocks, vs most UW bonds and consumer
FMS absolute positioning (net % overweight)



Source: BofA Global Fund Manager Survey

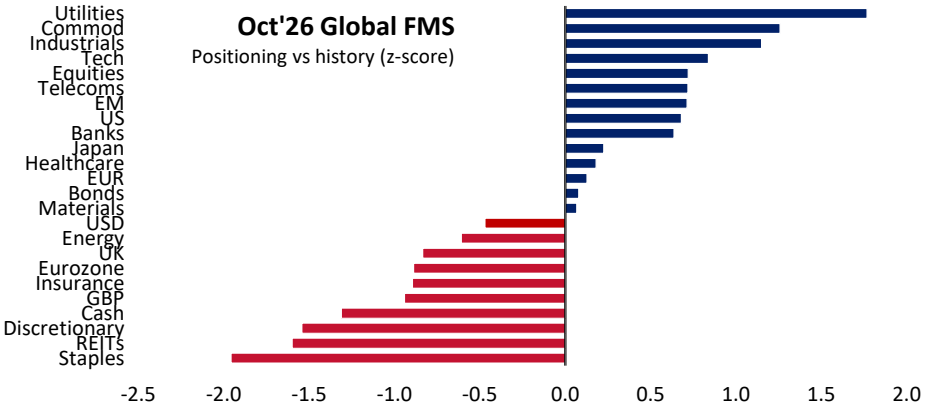
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This chart shows absolute FMS investor positioning (net % overweight).

In October, investors are most overweight global equities, tech, and EM stocks...

...vs. most underweight bonds, consumer discretionary and consumer staples.

Chart 24: Relative to history, FMS OW utilities, commodities vs UW consumer and REITs
FMS positioning vs history (z-score)



Source: BofA Global Fund Manager Survey

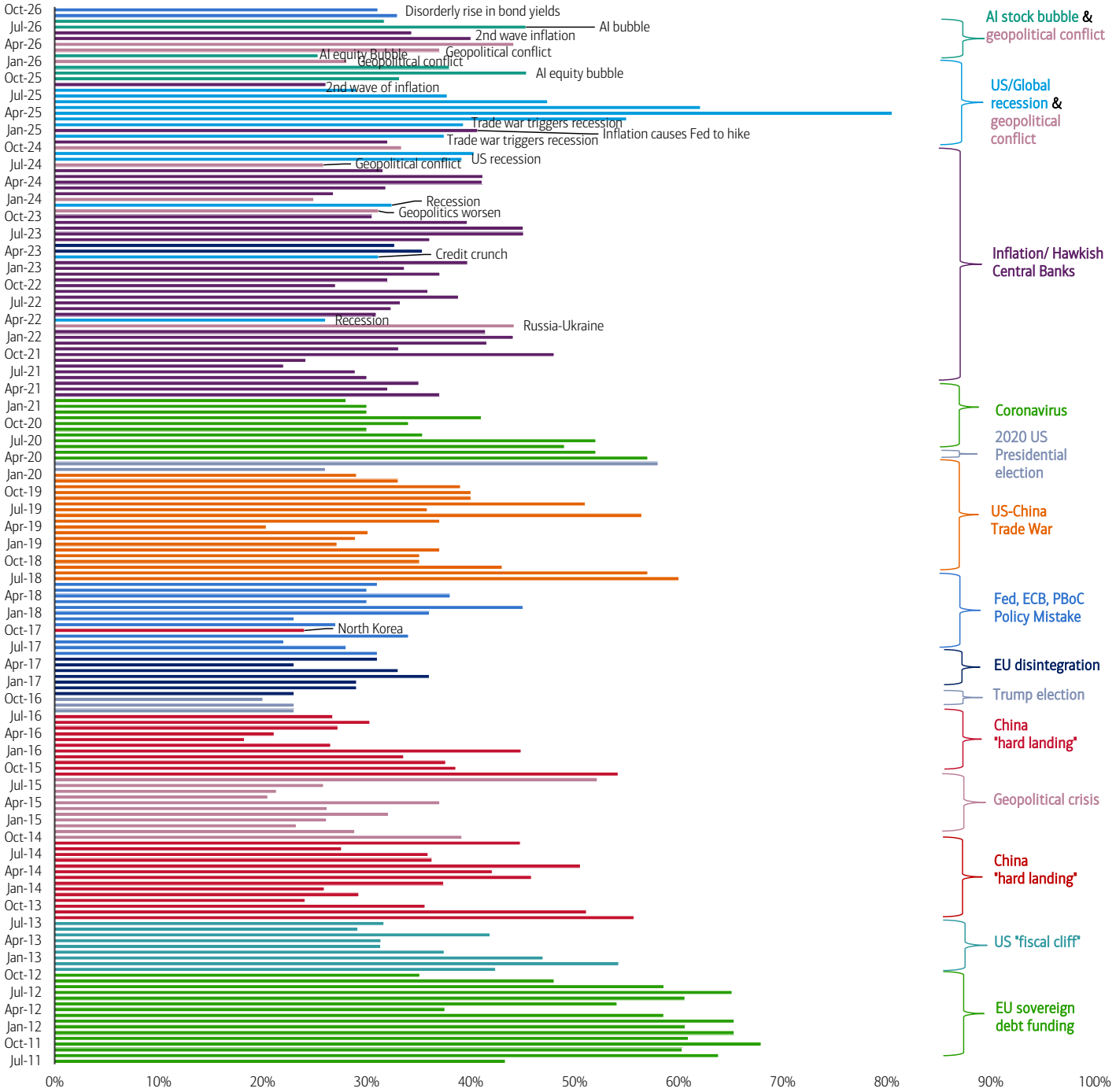
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This chart shows FMS investor positioning relative to history (z-score).

Relative to history, investors are most overweight utilities, commodities, and industrials...

...vs. most underweight staples, REITs, and discretionary.

Chart 25: Evolution of Global FMS "biggest tail risk"
History of Global FMS "biggest tail risk" answers

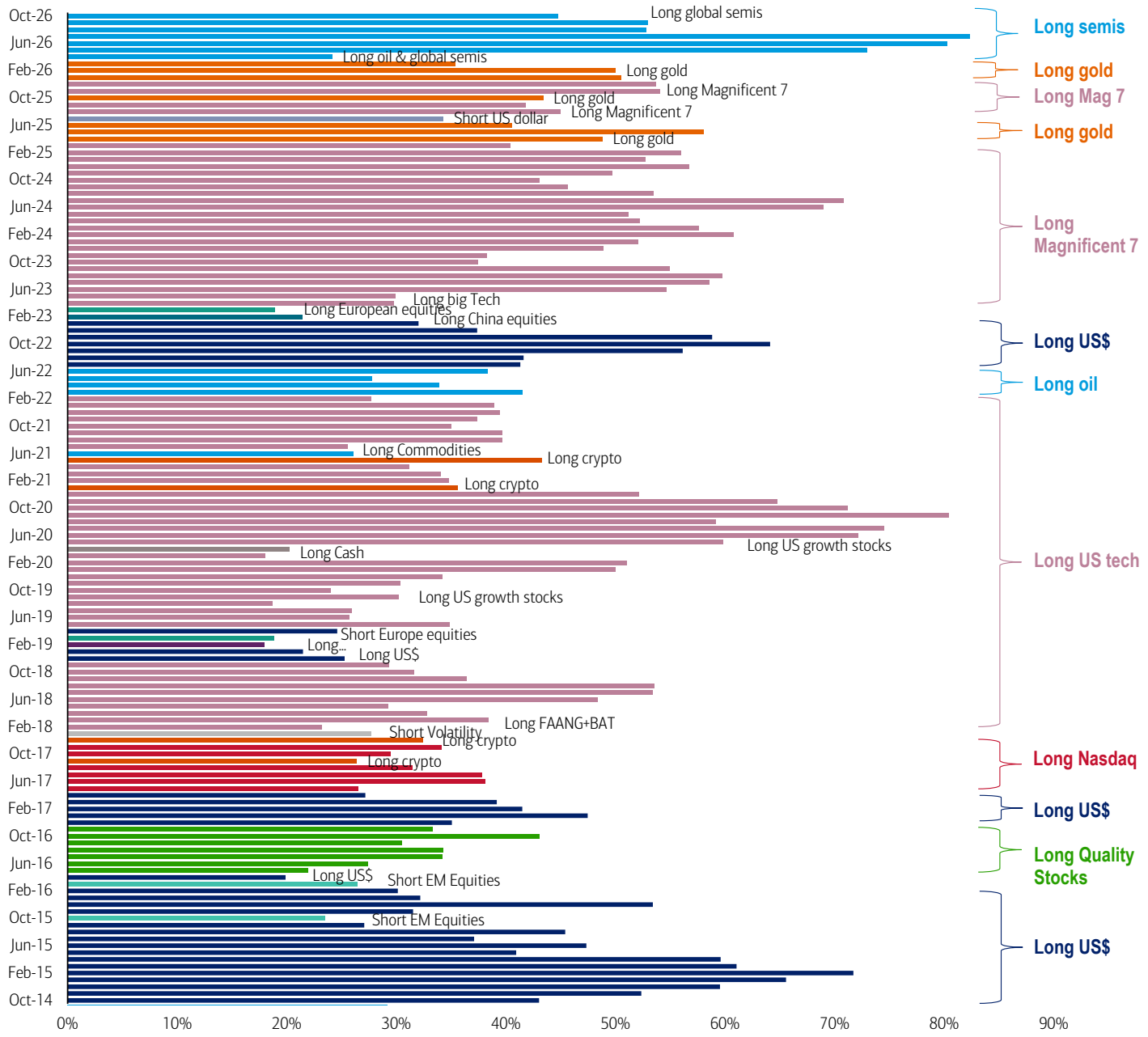


Source: BofA Global Fund Manager Survey

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- 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, and central bank rate hikes; US$ debasement, AI bubble, and geopolitics.
- The top tail risk in October is "disorderly rise in bond yields" (31%).

Chart 26: 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, long Magnificent Seven, short US dollar, long gold, long oil, long global semiconductors.
- The #1 FMS most crowded trade in October is long global semiconductors (45%) followed by short Treasuries (27%).

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	8.1	Sell
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 and the Global Investment Strategy: BofA Bull & Bear Indicator revamp 11 December 2025

FMS Investors on the Macro, Risks & AI

Chart 27: Net % of FMS investors who see a stronger global economy in next 12 months
Net % of FMS investors expecting stronger economy



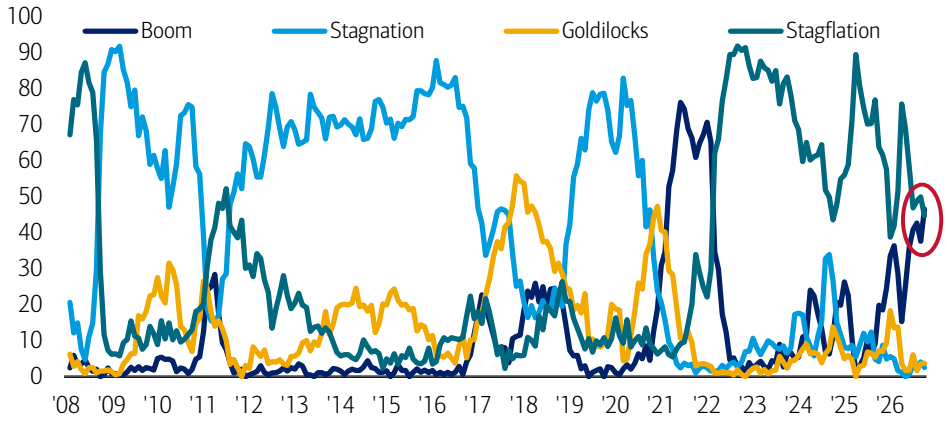
Source: BofA Global Fund Manager Survey

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On the macro...

October FMS showed net 4% of investors expecting *weaker* economic growth in the next 12 months, from net 8% expecting a *stronger* economy last month.

Chart 28: 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.

BofA GLOBAL RESEARCH

Asked about expectations for the global economy in the next 12 months...

47% say "boom" (above-trend growth & above-trend inflation).

In contrast, 45% of FMS investors say they expect "stagflation" (below-trend growth & above-trend inflation).

Expectations remain low for "goldilocks" (4%) and "stagnation" (2%).

Chart 29: Net % of FMS investors that expect higher global CPI
Net % of FMS investors expecting higher inflation

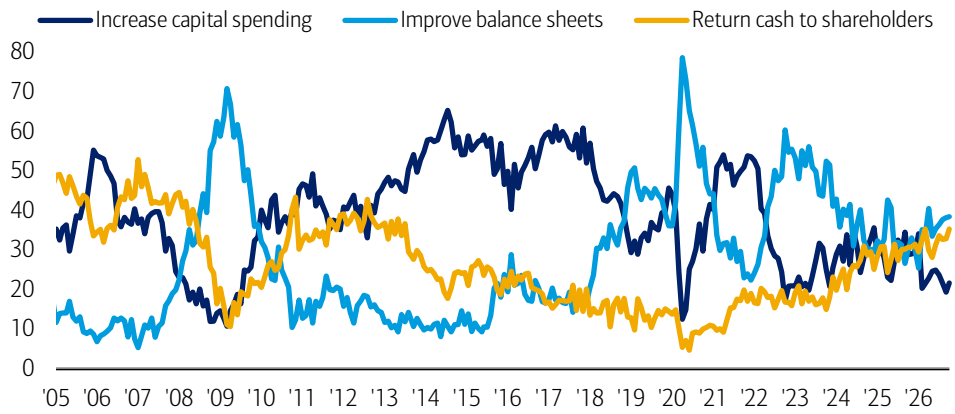


Source: BofA Global Fund Manager Survey.

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Net 5% of FMS investors expect global CPI to be *lower* in 12 months' time, from net 4% last month.

Chart 30: 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

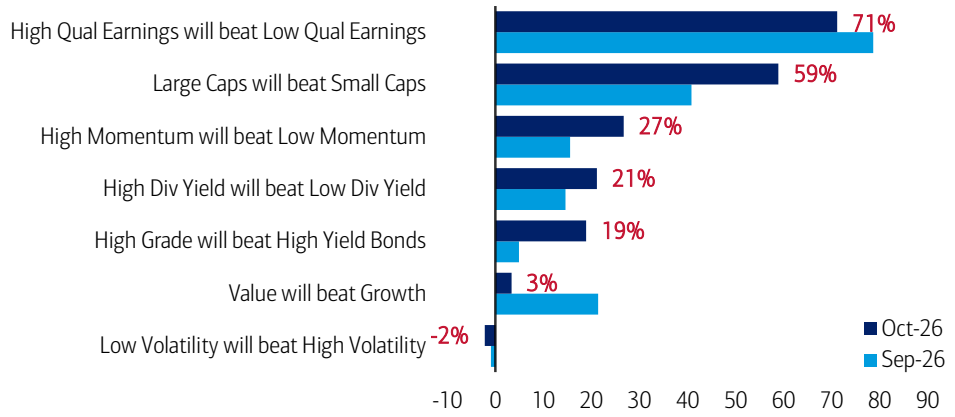


Source: BofA Global Fund Manager Survey.

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Asked what companies should do with cash flow... 39% said "improve balance sheets," 35% said "return cash to shareholders," and 22% said "improve capital spending."

Chart 31: Expectations for investment performance over the next 12 months
Over the next 12 months, net % FMS investors think...



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

Per October FMS...

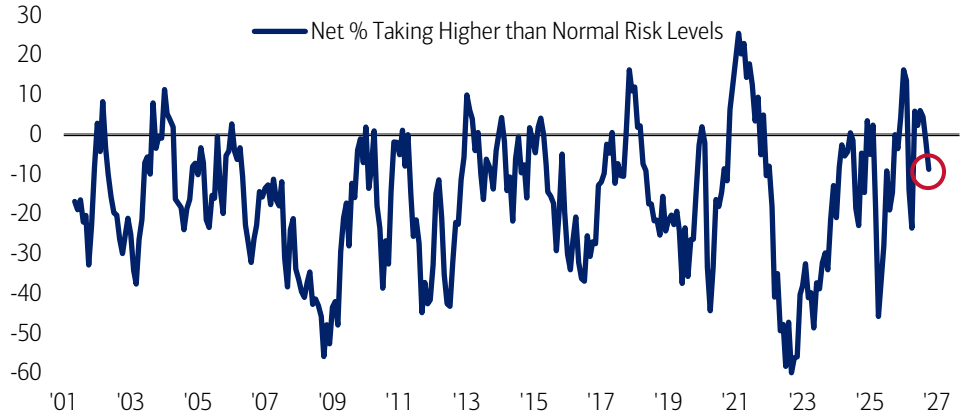
Net 71% say high-quality earnings will outperform low-quality earnings.

Net 59% say large cap will beat small cap.

Net 27% say high momentum will beat low momentum.

Net 21% say high-dividend yield will outperform low-dividend yield.

Chart 32: FMS investors taking higher than normal risk levels
What level of risk do you think you're currently taking relative to your benchmark?



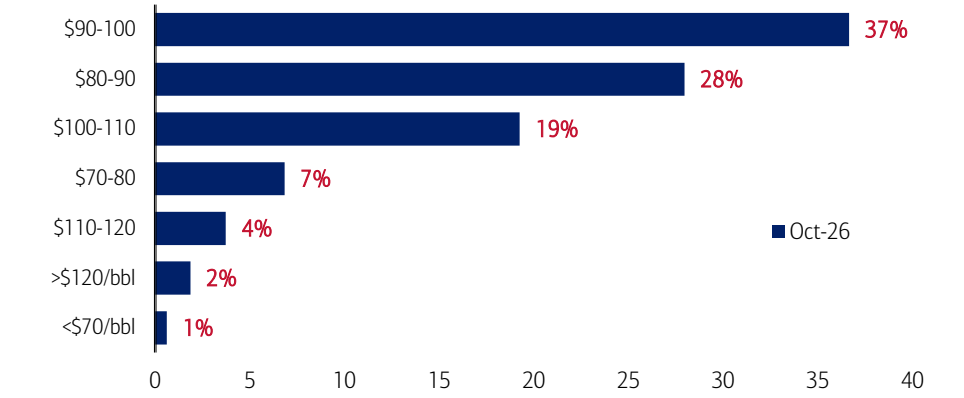
Source: BofA Global Fund Manager Survey

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FMS investors are taking net 9% *lower* than normal risk levels, from net 2% last month

Starting last month, FMS investors were taking lower than normal risk levels for the first time since Apr'26.

Chart 33: FMS investors expect oil to trade at ~$94/bbl by the end of the year
In which of the following ranges do you expect the price of oil to trade in by year-end '26?

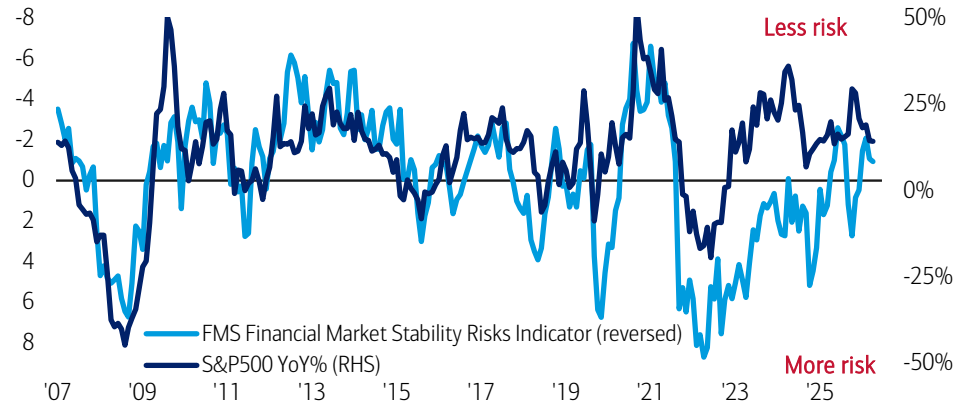


Source: BofA Global Fund Manager Survey

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Asked about the path of oil prices in the coming months, FMS investors expect oil to trade at ~$94/bbl by the end of the year

Chart 34: FMS Financial Market Stability Risks Indicator at -0.9
FMS Financial Market Stability Risks Indicator vs S&P 500 YoY %



Source: BofA Global Fund Manager Survey, Bloomberg

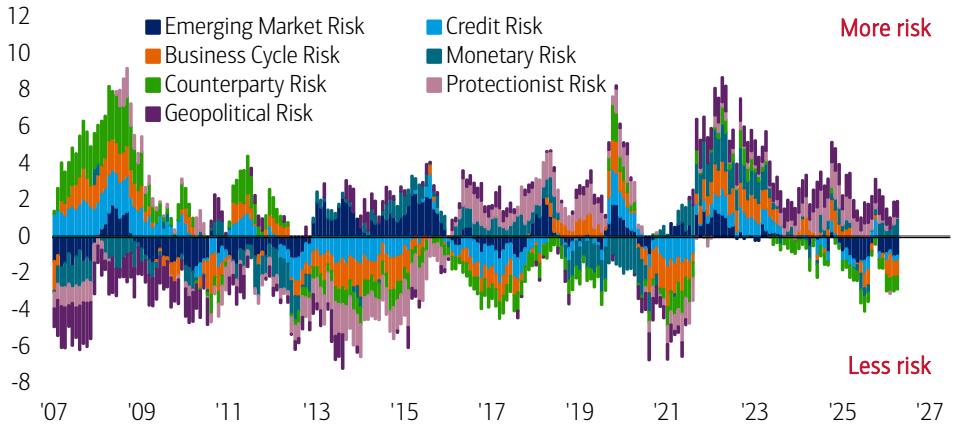
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FMS Financial Market Stability Risks Indicator increases to -0.9 from -1.1.

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



Source: BofA Global Fund Manager Survey

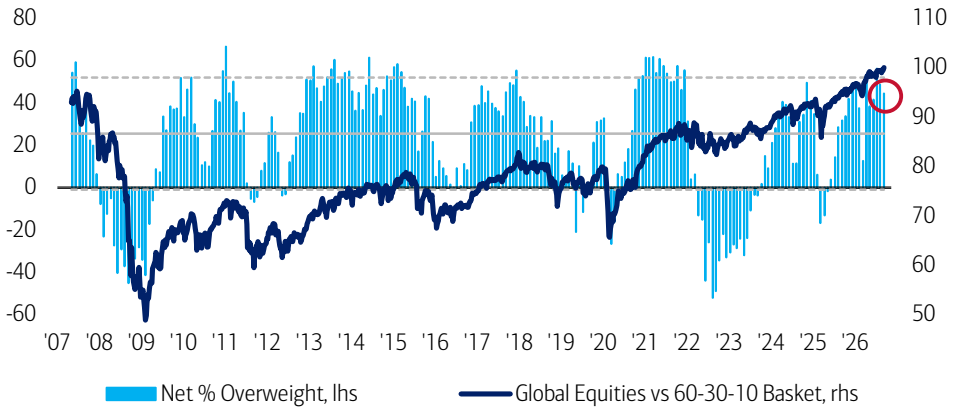
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The chart shows the individual z-scores of each response to how FMS investors rated potential risks to financial market stability since '07.

In October, 5 risk factors (out of 7) increased relative to the previous month...emerging market, business cycle, monetary, counterparty, and geopolitical.

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

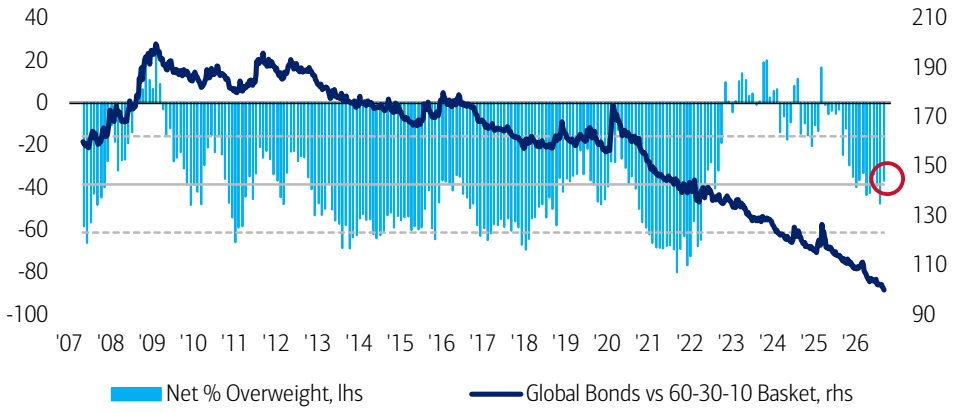
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On asset allocation...

FMS equity allocation is net 44% OW (down from net 49% last month).

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

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



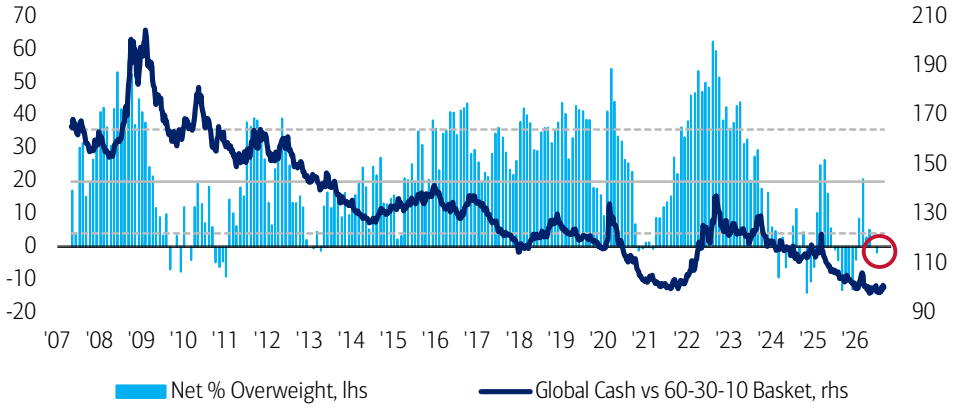
Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

FMS bond allocation is net 37% underweight, from net 48% underweight last month.

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

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



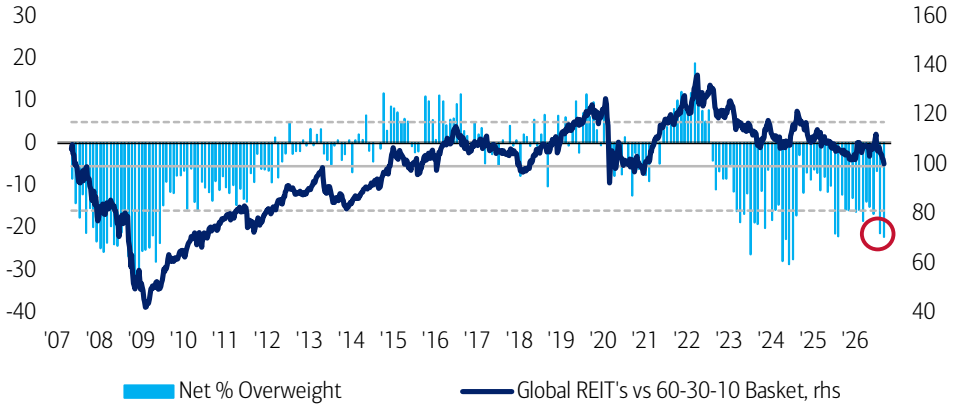
Source: BofA Global Fund Manager Survey, Datastream

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FMS cash allocation is equal-weight, unchanged from a month ago.

Current allocation is 1.3 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

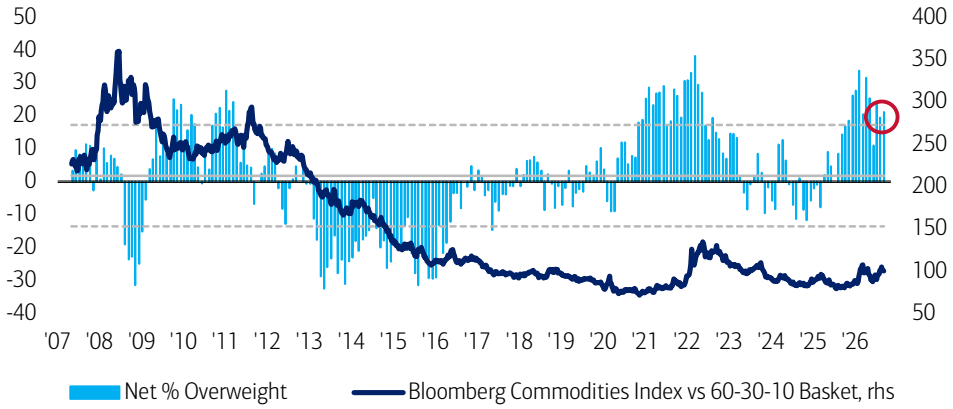
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FMS real estate allocation is net 22% underweight (vs net 21% underweight one month ago).

Allocation to real estate is lowest since Aug'24.

Current allocation is 1.6 stdev below its long-term average.

Chart 40: Net % AA Say they are overweight Commodities
Net% of FMS investors overweight commodities



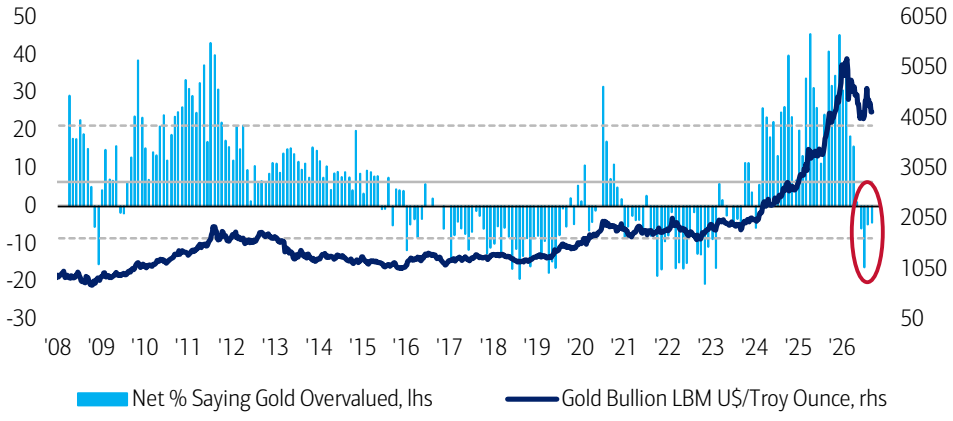
Source: BofA Global Fund Manager Survey, Datastream.

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FMS commodities allocation is net 21% overweight, up from net 19% overweight last month.

Current allocation is 1.3 stdev above its long-term average.

Chart 41: Gold Valuation and Gold Price ($/oz)
Net% of FMS investors saying gold overvalued



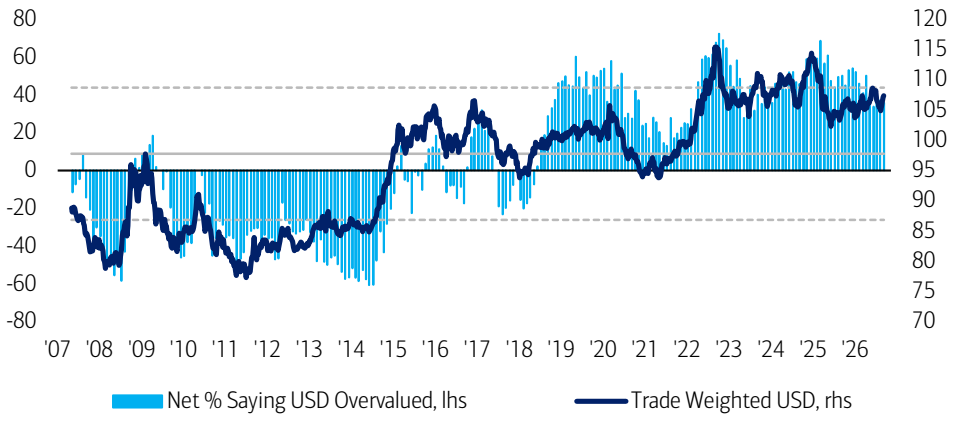
Source: BofA Global Fund Manager Survey, Datastream.

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Net 4% of FMS investors say gold is undervalued (vs 5% last month).

Currencies extremes

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



Source: BofA Global Fund Manager Survey, Datastream

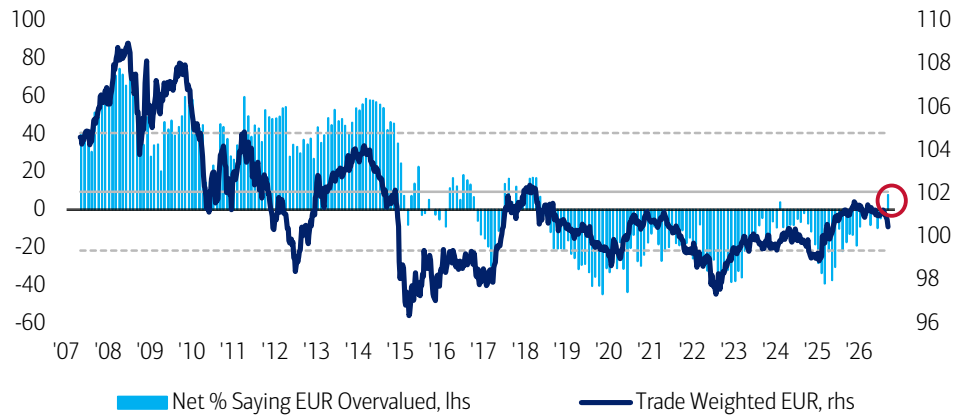
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On currencies...

Net 36% of FMS investors say US$ is overvalued (vs 37% a month ago).

Current valuation is 0.8 stdev above the long-term average.

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



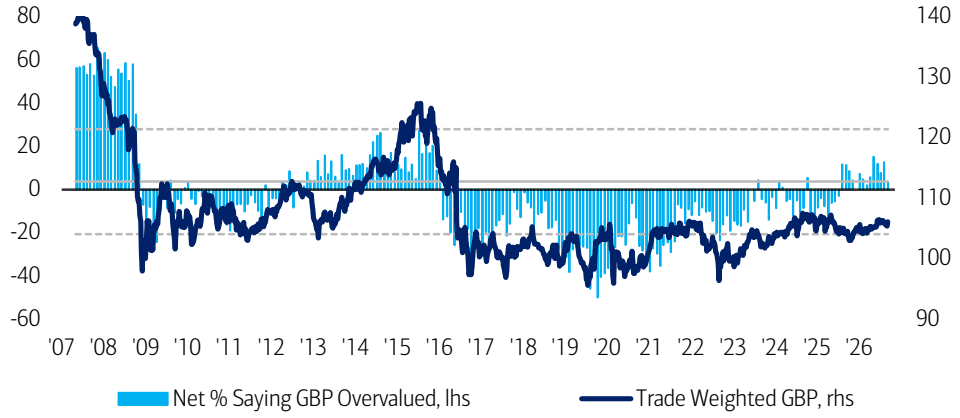
Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

Net 8% of FMS investors say EUR is overvalued (vs 3% saying undervalued last month).

Current valuation is 0.1 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

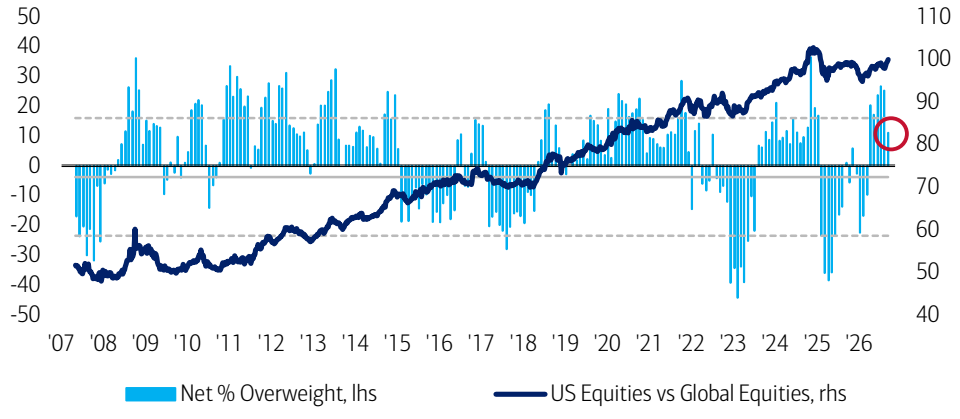
BofA GLOBAL RESEARCH

Net 3% of FMS investors think GBP is overvalued (vs 13% a month ago).

Current valuation is in line with 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

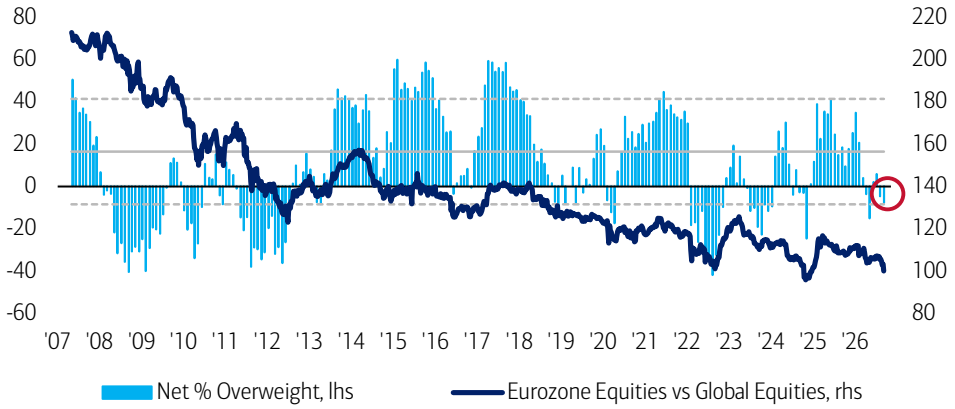
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On regional equity allocation...

FMS investors are net 11% overweight US equities (down from 25% last month).

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

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



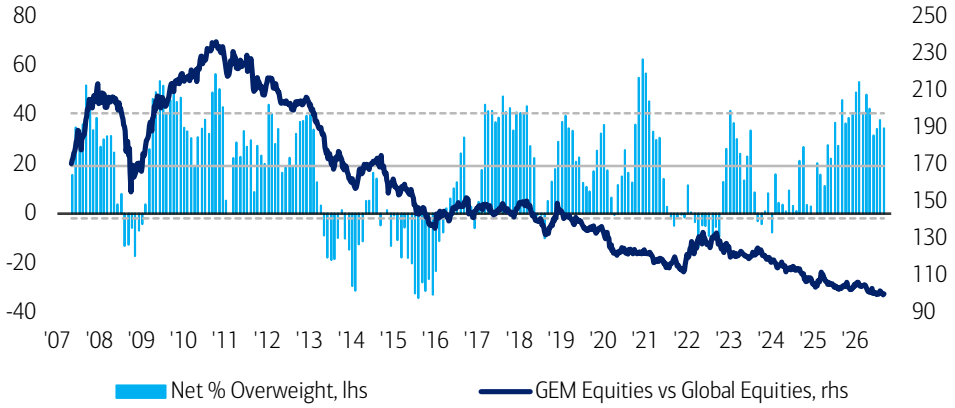
Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

FMS investors are net 8% underweight Eurozone equities, vs net 5% a month ago.

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

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



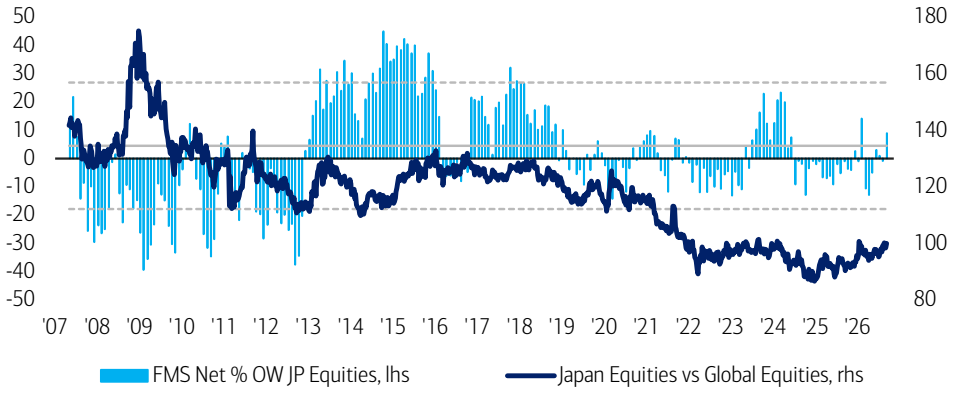
Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

FMS investors are net 34% overweight EM equities (from net 38% overweight a month ago).

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

Chart 48: Net % AA Say they are overweight Japanese Equities
Net% of FMS investors overweight Japanese equities



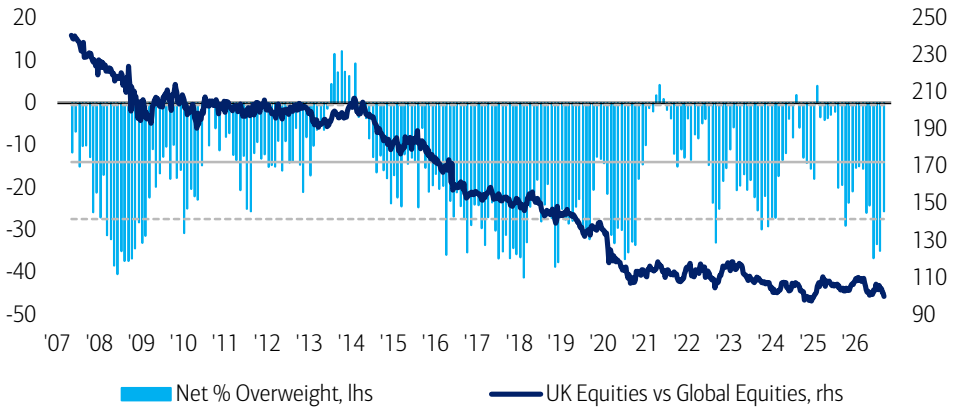
Source: BofA Global Fund Manager Survey, Datastream

BofA GLOBAL RESEARCH

FMS investors are net 9% overweight Japanese equities (vs net 1% underweight last month).

Current allocation is 0.2 stdev above 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

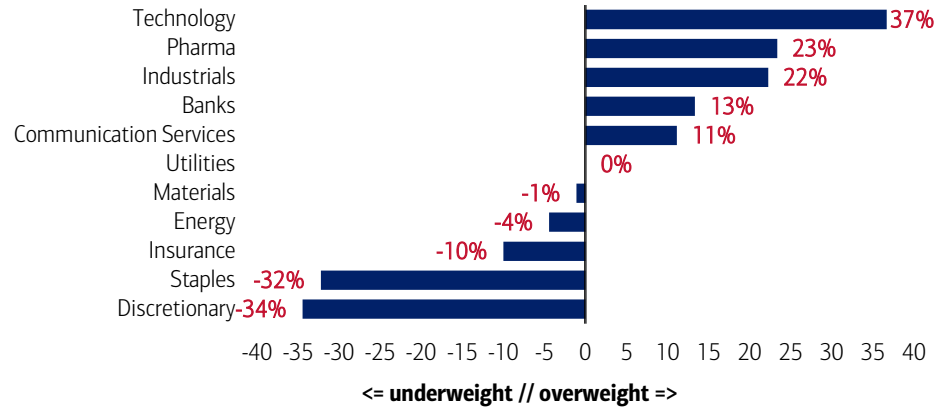
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FMS investors are net 26% underweight UK equities, (from net 35% underweight last month).

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

Investor Sector Allocation

Chart 50: Global Sector Sentiment
Net % overweight (% saying overweight - % saying underweight)



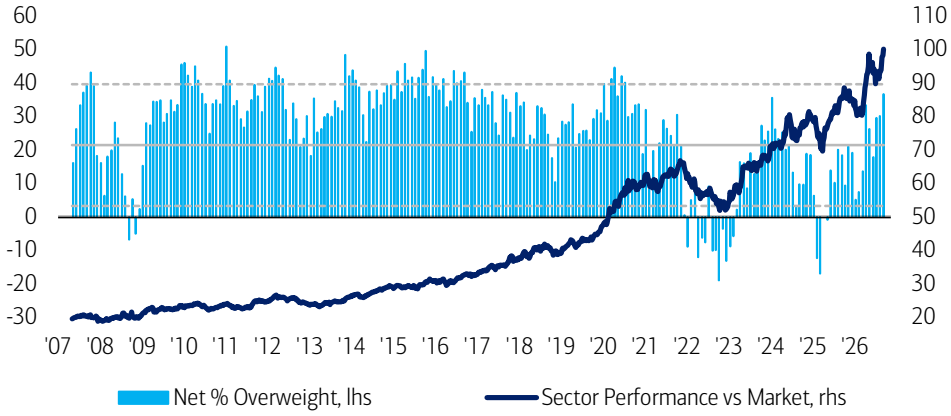
Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

This month FMS investors increased allocation to utilities, telecom, and tech, vs reduced allocation to banks, discretionary, and insurance.

FMS investors are the most (net) overweight tech, healthcare, and industrials, and most (net) underweight discretionary, staples, and insurance

Chart 51: Global Technology
Net % of FMS investors overweight technology



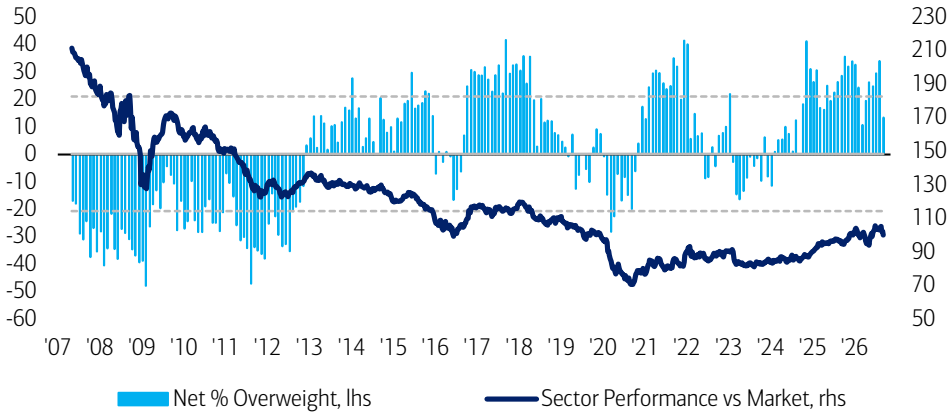
Source: BofA Global Fund Manager Survey, Datastream

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FMS investors are net 37% overweight technology (vs 30% last month).

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

Chart 52: Global Banks
Net % of FMS investors overweight banks



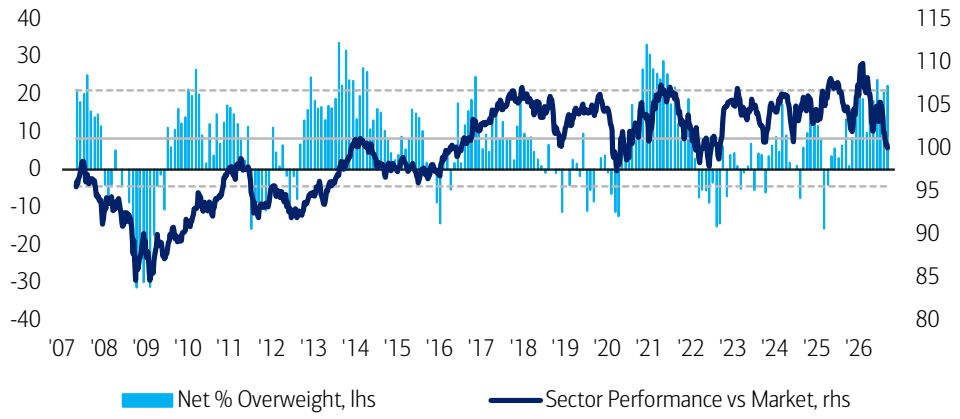
Source: BofA Global Fund Manager Survey, Datastream

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FMS investors are net 13% overweight banks (from net 34% overweight a month ago).

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

Chart 53: Global Industrials
Net % of FMS investors overweight industrials



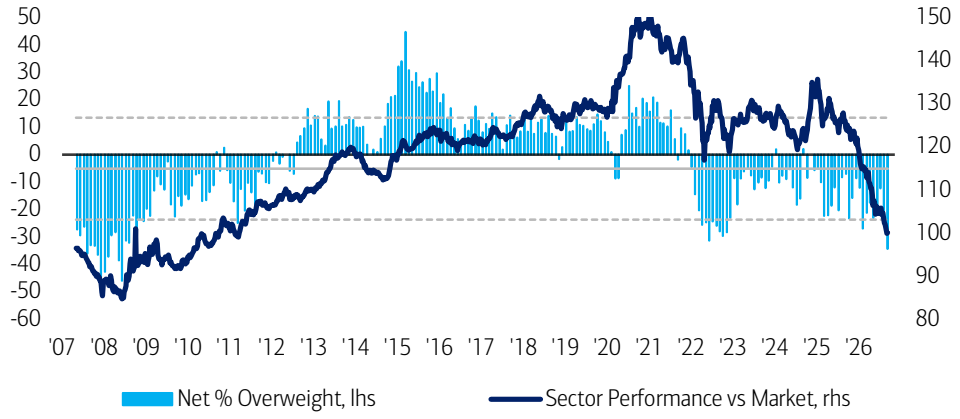
Source: BofA Global Fund Manager Survey, Datastream

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FMS investors are net 22% overweight industrials (up from net 20% overweight a month ago).

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

Chart 54: Global Consumer Discretionary
Net % of FMS investors overweight consumer discretionary



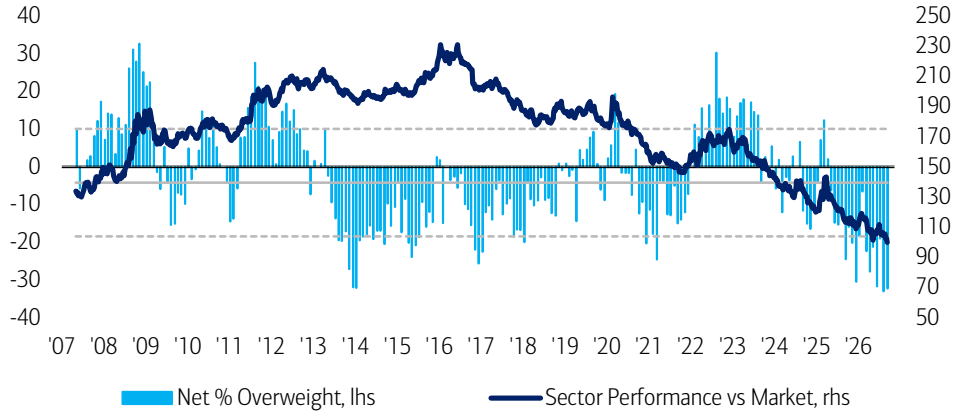
Source: BofA Global Fund Manager Survey, Datastream

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FMS investors are net 34% underweight discretionary (vs net 21% underweight a month ago).

Current reading is 1.5 stdev below its long-term average.

Chart 55: Global Consumer Staples
Net % of FMS investors overweight consumer staples



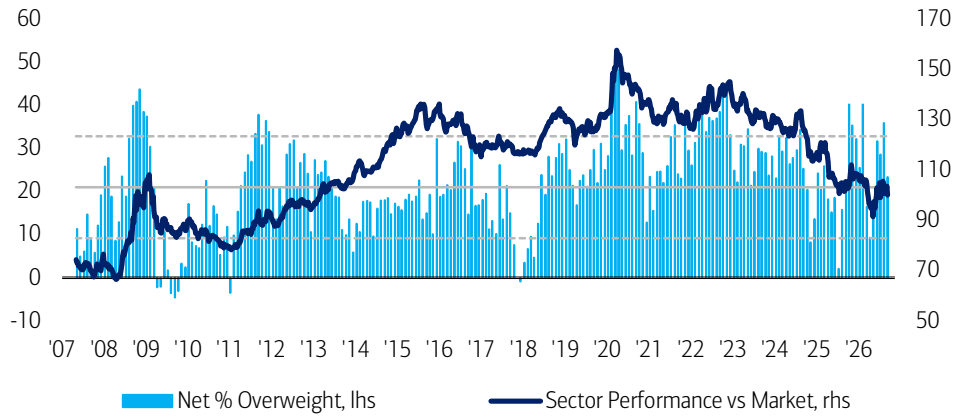
Source: BofA Global Fund Manager Survey, Datastream

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FMS investors are net 32% underweight staples (vs net 33% underweight a month ago).

Current reading is 2.0 stdev below its long-term average.

Chart 56: Global Healthcare
Net% of FMS investors overweight healthcare



Source: BofA Global Fund Manager Survey, Datastream

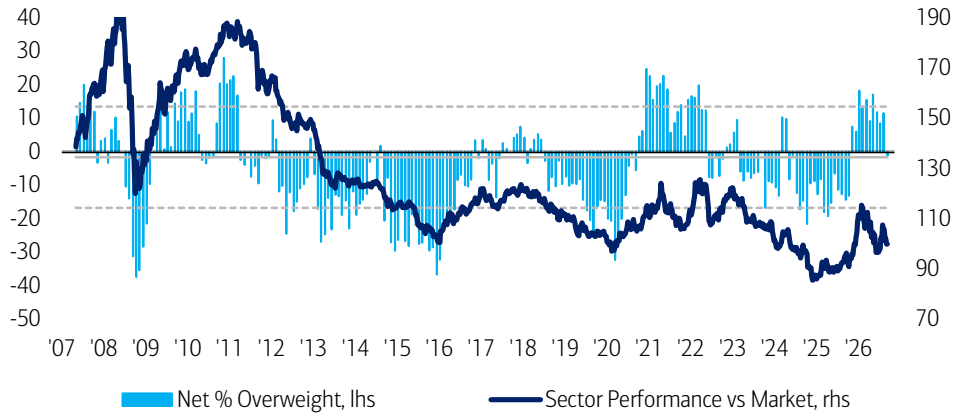
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FMS investors are net 23% overweight healthcare, down from net 36% overweight last month.

Allocation to healthcare has been consistently overweight since Jan'18.

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

Chart 57: Global Materials
Net% of FMS investors overweight materials



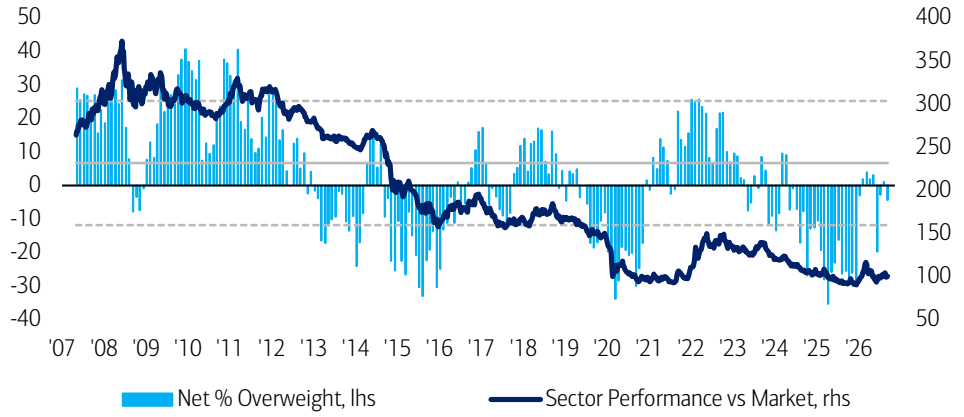
Source: BofA Global Fund Manager Survey, Datastream

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FMS investors are net 1% underweight materials (vs net 12% overweight last month).

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

Chart 58: Global Energy
Net% of FMS investors overweight energy



Source: BofA Global Fund Manager Survey, Datastream

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August FMS allocation to energy is net 4% underweight, flipping from net 1% overweight last month.

Current reading is 0.6 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-26	Sep-26	Aug-26
Structure of the panel - by position			
Chief Investment Officer	24	28	26
Asset Allocator / Strategist / Economist	56	54	58
Portfolio Manager	75	80	84
Other	6	8	12
Structure of the Panel - by expertise			
Global Specialists Only	90	103	105
Regional Specialists with a Global View	71	67	75
Total # of Respondents to Global Questions	161	170	180
Which of the Following Best Describes the Type of Money You are Running?			
Institutional funds (e.g. pension funds / insurance companies)	42	44	50
Hedge funds / proprietary trading desks	15	12	18
Mutual funds / unit trusts / investment trusts	81	86	79
None of the above	23	28	33
What Do You Estimate to be the Total Current Value of Assets Under Your Direct Control?			
Up to $250mn	21	21	22
Around $500mn	20	16	24
Around $1bn	30	32	30
Around $2.5bn	17	23	19
Around $5bn	12	12	19
Around $7.5bn	6	5	6
Around $10bn or more	26	27	29
No funds under my direct control	29	34	31
Total (USD bn)	453	470	525
What best describes your investment time horizon at this moment?			
3 months or less	54	47	55
6 months	41	49	52
9 months	15	17	18
12 months or more	45	52	50
Weighted average	7.0	7.3	7.1
Don't know	6	5	5

Source: BofA Global Fund Manager Survey

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Disclosures

Important 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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The date and time of completion of the production of any recommendation in this report shall be the date and time of dissemination of this report as recorded in the report timestamp.

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