

# BANK OF AMERICA MERRILL LYNCH GLOBAL WEALTH & INVESTMENT MANAGEMENT

Merrill Lynch Outlook 2013  
Mary Ann Bartels

December 7, 2012

*Please read Important Information at the end of this program.*

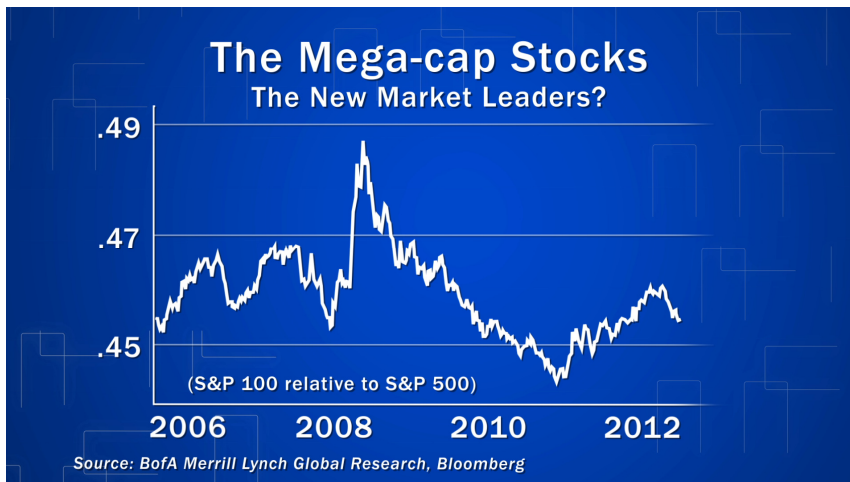
## ***What type of companies have the most growth potential?***

### **Mary Ann Bartels**

Head of U.S. Technical and Market Analysis  
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Our favorite area in the market in terms of leadership is what we call the mega caps or the S&P 100. There's various different kind of companies including multi-nationals in that grouping. We believe that this is where your investment opportunities are going to come from in 2013, maybe even 2014. We're looking for long-term investment opportunities in these companies.

In terms of the technicals, this is where we see companies that have been trading in a range for five to ten years, and they're starting to come out of this range and so we see significant upside for these companies.



On this chart that we're providing today, what we're looking at is the S&P 100 relative to the 500, and what we're seeing is that they've reversed a major down trend, they're trading sideways for two years, and they're breaking out and now testing. This tells us this is the new leadership within the market. These stocks

have a number of important attributes.

### **Advantages of Mega-cap Stocks**

- **Growth**
- **Quality companies**
- **Strong balance sheets**
- **Good cash flow**
- **Attractive dividend yields**

This is where we see growth within the market, this is where we see quality companies, they have good balance sheets, good cash flow, and many of these companies have yield that is much more attractive than the overall market, and much higher than ten year treasury yields.

### **Sectors with Strong Dividend Yield**

- **Telecom**
- **Utilities**
- **Consumer Staples**
- **Healthcare**

Some areas that we would take a look at if you're just seeking for yield would be telecoms, utilities, within consumer staples we would look, a high area of yield would be tobacco. Some other pockets that we really like are within healthcare, one of our favorite areas entering 2013. We would take a look at pharmaceutical companies, and other pockets that have very high dividend yields would be master limited partnerships, and some in what we call the real estate investment trust area.

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