

CHIEF INVESTMENT OFFICE

Sustainable and Impact Investing

Investing with a goal of
pursuing competitive returns
and positive change



Invest in the momentum of a changing world

Whether you want to live out your beliefs, help solve society's biggest challenges or target companies poised for long-term success, you may be able to pursue your goals through sustainable and impact investing.

The Chief Investment Office (CIO) offers a disciplined investment selection approach focused on how financial risk, return and sustainability are integrated into portfolios. The CIO can help you identify sustainable investing solutions across multiple asset classes that are designed to offer a range of positive social and environmental impacts.

Creating impact with your portfolio

Whatever your motivations, you can choose the type of impact that is important to you — from avoiding harm, to benefiting favorable business practices, to contributing to measurable outcomes — or a combination of these.

Sustainable investments seek positive social and environmental effects while targeting competitive financial returns.

Avoid



Seek to reduce negative social or environmental effects and manage risk by limiting certain exposures

Benefit



Seek to support positive social or environmental practices and enhance potential for long-term competitive financial returns

Contribute



Seek to advance positive, measurable social or environmental outcomes and target opportunities where impact is intrinsic to financial performance

The "A-B-C" framework that helps classify the impact objective of a sustainable strategy was adapted from The Impact Management Project. The Impact Management Project is a forum for building global consensus on how to measure, compare and report Environmental, Social and Governance (ESG) risks and positive impacts.

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Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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We focus on the issues that matter most to you

As part of the planning process you undertake with your advisor, you can also discuss your impact preferences. By looking at your financial and impact goals together, you can create an investment approach that can help you drive positive change while pursuing competitive returns. To aid in the conversation, the Chief Investment Office has classified impact into four themes: People, Planet, Principles of Governance and Prosperity, each of which may be reflected in your portfolio.



People Commitment to engaged and healthy workers	Planet Contributions to climate and environmental sustainability	Principles of Governance Commitment to ethics and societal benefit	Prosperity Contributions to equitable, innovative growth and sustainable communities
<ul style="list-style-type: none"> • Good Health & Well-being Health solutions and services • Empowerment & Inclusion Diversity policies and progress; Labor rights 	<ul style="list-style-type: none"> • Climate Action Alternative energy and resource efficiency; Carbon emissions • Natural Resources Management of natural resources and water use 	<ul style="list-style-type: none"> • Corporate Governance Board composition; Adherence to ethical practices • Corporate Behavior Product safety 	<ul style="list-style-type: none"> • Employment & Economic Vitality Access to finance; Employment opportunity • Sustainable Communities Affordable real estate; Human rights

Helping you control how you want to move towards a sustainable portfolio

Sustainable investing is not an all-or-nothing proposition. Your investment approach should first and foremost be grounded in your goals and what you hope to achieve in the future. Sustainable investing practices can then be overlaid on a goals-based approach, to help you invest to potentially create impact as well as benefit from future growth of sustainable businesses.

Increasing adoption of sustainable investing practices

Note: Green circles are illustrative of degree of integration of sustainability.

Complement your existing portfolio

by adding new investments that focus on a specific sustainability theme or by creating a complementary, multi-asset sustainability portfolio.

Substitute some of your existing holdings

by selling them and using the proceeds to invest in companies or investment managers that have a sustainable focus.

Transition all your assets to sustainable strategies

by directing uninvested cash to sustainable strategies and putting in place a strategy to replace current holdings with multi-asset, sustainable investments over time.

Whether you make small changes over time or transition the majority of your assets right away, you will always be in control. Working with your advisor, you will be able to determine the most appropriate way to integrate sustainability into your portfolio.

“In the Chief Investment Office, we help empower clients to invest in the momentum of a changing world, creating positive impact while pursuing competitive returns.”

—Chris Hyzy, Chief Investment Officer,
Merrill and Bank of America Private Bank



Access a full suite of sustainable investing choices

You can access a range of sustainable investing strategies that target a variety of impact Environmental, Social and Governance (ESG)-oriented; and thematic-oriented goals. We offer you access to a range of leading third-party asset manager offerings and portfolios created by the Chief Investment Office to focus your investments on responsible companies, to target a specific issue or cause or even seek out new opportunities, including those listed to the right.

CIO Total Portfolios

Our Chief Investment Office also has developed a suite of Sustainable and Impact offerings for our clients. These include CIO total portfolios that allow clients to align their portfolios with their investment and sustainability preferences as well as impact objectives. Clients can draw from a range of professionally managed portfolios that offer solutions with a range of risk tolerances and time horizons.

Our Sustainable and Impact-oriented CIO Total Portfolios seek to deliver competitive risk-adjusted returns and an enhanced ESG profile relative to a traditional, non-ESG focused benchmark.

Managed Strategies

Mutual funds (MFs), thematic exchange traded funds (ETFs) and separately managed accounts (SMAs)

Capital Markets Solutions

Green bonds, ESG unit investment trusts (UITs) and social impact bonds

Alternative Investments

Sustainable and impact private investment options available for qualified investors

Customized Solutions

SMAs and customized ESG solutions through third-party asset managers



Only investments that have undergone extensive review are included on our investment platform

The Chief Investment Office Due Diligence team helps us narrow the universe of investments to those that they believe have a high probability of meeting or outperforming their investment objectives over a market cycle at an appropriate level of risk. For sustainable strategies, we apply the same investment standard while ensuring the strategy also meets our sustainability standards. The ability to measure and report on impact results or sustainable goals is an important additional component to selecting strategies.



Quantitative Review	The team looks at historical performance and risk compared to the market to ensure an unbiased, numbers-based evaluation of each investment manager.
Qualitative Review	The team also goes beyond the numbers to look at investment manager credentials, investment processes and risk management approaches with the goal of identifying the best-in-class practitioners.
Rigorous Governance & Oversight	A final, human evaluation is conducted by multiple oversight committees. This oversight is ongoing and helps identify the highest-conviction strategies to offer our clients.



Sustainable and impact investing strategies are evaluated against traditional benchmarks and peer universes as opposed to ESG or sustainable benchmarks and peer universes. We evaluate how the strategy performs on a select set of environmental, social and governance metrics over time and the extent to which the performance supports the sustainability philosophy of the strategy.




Through conversations with the managers, we evaluate the depth of their knowledge, commitment to sustainable investing and degree of integration of sustainability information into their investment decision-making process.

We continuously monitor whether investment managers are staying true to their philosophy from a sustainability perspective.



Bank of America's commitment to sustainability

At Bank of America, we believe that our diversity makes us stronger and is essential to our ability to serve our clients. We understand the powerful role we have to play — globally — in helping our clients navigate the transition to a low-carbon, sustainable economy. We are committed to responsible growth in how we manage and operate our business units, through strong principles of governance and using our own capital to drive sustainability. And we see sustainability as a central characteristic of our operating model, from our financing initiatives and business activities to our philanthropy. To further these objectives, we have committed to a \$1.5 trillion sustainable finance goal by 2030 — focused on both environmental transition and inclusive development.

 People	 Planet	 Principles of Governance	 Prosperity
<p>We are increasing U.S. minimum hourly rate of pay to \$25 by 2025 to deliver sustainable, responsible growth by being a great place to work — and to support the needs of our ~208,000 teammates around the world.¹</p> <p>And we were named the #1 financial services company on JUST Capital's 2022 list of <i>America's Most JUST Companies</i>, recognizing how we address issues that matter most to the American public including diversity and inclusion, work-life balance, sustainability and paying a fair, living wage.²</p>	<p>We have a goal to mobilize and deploy \$1.5 trillion in sustainable finance by 2030, of which \$1 trillion is dedicated to environmental transition.³</p> <p>We have been the top tax equity investor in the U.S. since 2015 with a total of approximately \$12 billion to support wind and solar facilities; and are a top ESG Bond issuer with \$11.85 billion issued across nine Green, Social and Sustainability bonds since 2013.¹</p>	<p>15 of our 16 board members are independent; 63% have CEO-level experience; 38% have senior executive experience at financial institutions; and 38% are female.⁴</p> <p>Building on our longstanding commitment to racial equality and economic opportunity, we have made a \$1.25 billion, five-year commitment to advancing these important issues with particular focus on connecting people to good jobs, making sure they have adequate health care, ensure there's access to capital to grow their small business and provide a solid base of affordable housing.⁵</p>	<p>We are providing access to capital for more than 250 Community Development Financial Institutions (CDFIs) in all 50 states through a \$2 billion portfolio, to help fuel social and economic progress.⁶</p> <p>We issued our second \$2 billion Equality Progress Sustainability Bond, designed to help advance racial and gender equality, economic opportunity and environmental sustainability.⁷</p>



Talk to your advisor today about how you can start your journey to a sustainable portfolio.

Endnotes:

¹ Bank of America, Annual Report, 2021.

² Just Capital, 2022 Rankings.

³ Bank of America Newsroom, as of April 8, 2021.

⁴ Bank of America, Proxy Statement, 2021.

⁵ Bank of America Newsroom, as of March 30, 2021.

⁶ Bank of America Newsroom, as of October 19, 2021.

⁷ Bank of America Newsroom, as of December 7, 2021.

Important Disclosures:

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

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All recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. Not all recommendations will be in the best interest of all investors. Asset allocation, diversification and rebalancing do not ensure a profit or protect against loss in declining markets.

Sustainable and Impact Investing and/or Environmental, Social and Governance (ESG) managers may take into consideration factors beyond traditional financial information to select securities, which could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. Further, ESG strategies may rely on certain values-based criteria to eliminate exposures found in similar strategies or broad market benchmarks, which could also result in relative investment performance deviating.

Social impact bonds are a relatively new and evolving investment opportunity, which is highly speculative and involves a high degree of risk. An investor could lose all or a substantial amount of their investment.

An investment in **Green Bonds** involves risks similar to an investment in debt securities of the issuer, including issuer credit risk and risks related to the issuer's business. You should review the relevant offering document carefully before investing.


Mutual fund risk considerations: Mutual funds are subject to investment risks, including possible loss of the principal amount invested. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. **For a discussion of the risks specific to a particular mutual fund, please refer to the fund's prospectus.**

ETF risk considerations: Exchange-traded funds are subject to risks similar to those of stocks. Investment returns may fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. **For a discussion of the risks specific to a particular ETF, please refer to the fund's prospectus.**

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

UIT risk considerations: UITs are subject to investment risks, including possible loss of the principal amount invested. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. **For a discussion of the risks specific to a particular UIT, please refer to the UIT's prospectus.**

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