BANK OF AMERICA

CHIEF INVESTMENT OFFICE

Portfolio Insights

Five Principles for Long-term Investing

June 2022

All data, projections and opinions are as of the date of this report and subject to change.

Investors have faced a difficult journey so far in 2022. The equity market has declined rapidly and reached bear market territory. Bonds, which can often protect investors during times of stress, have experienced their largest declines in history. With inflation at multidecade highs, a broadening conflict in Ukraine, and the Federal Reserve (Fed) embarking on rate hikes and quantitative tightening, investors feel understandably nervous. Many are contemplating wholesale changes such as abandoning Fixed Income or moving entirely to cash.

In our view, emotionally driven decisions can lead to poor investment outcomes. Long-term success requires a recognition that ups and downs are inevitable and abiding by principles for navigating uncertainty. Based on our experience within the Chief Investment Office (CIO) managing portfolios, we have identified **five main principles** that can help investors meet their long-term financial goals and survive market drawdowns.

FIVE MAIN INVESTMENT PRINCIPLES

- Strategic asset allocation (SAA)
- Know your downside limits
- Diversification
- Make tactical adjustments but stay close to SAA
- Sometimes, doing nothing is ok

ONE: Strategic asset allocation is a key foundational element for long-term success.

Would you want a pilot to show up to the airport unaware of the route he needed to fly that day? What about a doctor who came to the operating room and was then assigned to a surgery? Of course not, you would want these experts to have a meticulous plan. Similarly, most investors need a SAA plan to meet their financial goals. SAA refers to the long-term mix of asset classes (i.e., the percentage of allocations to large-cap stocks, small-cap stocks, Treasury bonds, corporate bonds, etc.).

A carefully constructed SAA helps manage both risk and reward. It may offer investors a stronger potential return for whatever amount of risk they are comfortable taking. In our experience, SAA is the single biggest driver of portfolio performance. Academic research supports this intuition. For example, one study concludes that SAA explains 91% of a

AUTHORED BY:

Chief Investment Office
Portfolio Management Team

Data as of 6/21/2022 and subject to change.

CIO KEY TAKEWAYS

Investing tests our emotions as much as our analytical skills.

A carefully constructed SAA helps manage both risk and reward.

In our experience, sticking to a plan is about knowing yourself or, more precisely, knowing how much risk you can tolerate.

In the short term, diversification often feels frustrating.

SAA represents the foundation of an investment portfolio and Tactical Asset Allocation (TAA) changes in order to capitalize on shorter-term market views.

Indiscriminately pulling back from the market due to the market volatility could negatively impact your investment and financial plan.

4792001 6/2022

portfolio's risk.[1] Another study shows that SAA accounts for 100% of a portfolio's long-term returns.[2] While the studies (and their results) differ, they generally suggest that SAA drives a large portion of both portfolio risk and return.

Choose a plan and stick to the plan. It is a critical determinant of long-term success.

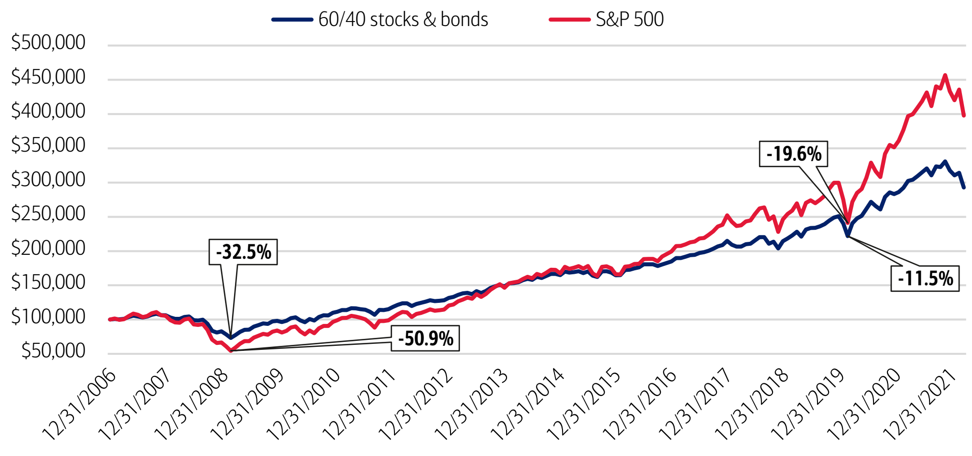
TWO: Know your downside limits

Sticking to a plan sounds simple. However, it becomes significantly more difficult when the market is dropping 5% to 10% a day. This happened for a period of time during the 2008 financial crisis and again during the 2020 pandemic. During these episodes, it becomes very tempting to jump ship. Unfortunately, changing course at the wrong time often can be costly. Many investors liquidated their portfolios at the wrong time and missed out on subsequent returns.

In our experience, sticking to a plan is about knowing yourself or, more precisely, knowing how much risk you can tolerate. Yes, stocks have performed well over the long term. But why invest in a 100% stock portfolio if you can't handle the downside, sell at the wrong time, and miss out on the long-term appreciation?

Exhibit 1 compares the performance of a 100% Equity portfolio to a more balanced option of 60% Equity/40% Fixed Income.[3] Although the S&P 500 outperformed over this period, it lost more than 50% of its value between 2007 and 2009. Investors who moved to cash in 2008 sacrificed the long-term appreciation. By contrast, the 60/40 portfolio lost around 32%. During the coronavirus pandemic in 2020, a similar pattern can be observed where the drawdown of a 60/40 portfolio is more muted than that of the S&P 500.

Exhibit 1: Performance Comparison & Drawdowns



Source: Morningstar as of April 2022. 60% S&P 500/40% Bloomberg US Aggregate Bond Index. **It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to index definitions and important disclosures at the end of this report.**

A more moderate allocation may work better for investors who cannot handle the volatility of an all Equity portfolio. Choose the level of risk that works for you. One that allows you to sleep well at night and stay invested through ups and downs.

[1] Brinson, Hood, and Beebower's paper, "Determinants of Strategy Performance" (1986).

[2] Ibbotson, R. G., and Kaplan, P.D. "Does Asset Allocation Policy Explain 40, 90, or 100 Percent of Performance?" Financial Analysts Journal 56(1):26-33 (2000).

[3] 60% S&P 500/40% Bloomberg US Aggregate Bond Index.

THREE: Diversification feels painful in the short term but may help in the long term

In the short term, diversification often feels frustrating. For example, during the late 1990s, when growth stocks were racing higher, investors may have questioned the purpose of holding value stocks. Or between 2003 and 2007, when Emerging Market stocks increased by 247%,[4] holding U.S. stocks may have seemed antiquated. Diversification feels frustrating because by construction, a diversified portfolio typically holds a mix of outperforming and underperforming asset classes. In any given year, a well-diversified portfolio will lag the best performing asset classes. However, over the long term, diversification helps smooth the ups and downs and may lead to better risk-adjusted performance.

The chart below shows the performance of asset classes year by year, as well as the performance of a CIO Balanced Return Portfolio. The performance of individual asset classes varies dramatically. For example, Emerging Markets Equity went from the best performer in 2017 to the worst performer in 2018. U.S. Large-cap Equity went from the best performer in 2019-2021 to sixth in 2022. The CIO Balanced Return Portfolio, by contrast, has provided a much more stable experience.

Exhibit 2: Asset Class Historical Performance.

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022*
Private Equity 43.46%	US Large Cap Equity 13.25%	Real Estate 11.09%	US Small Cap Equity 21.31%	Emerging Markets Equity 37.28%	Real Estate 11.12%	US Large Cap Equity 31.75%	US Large Cap Equity 22.37%	US Large Cap Equity 27.90%	Tangible Assets 32.74%
US Small Cap Equity 38.82%	US Mid Cap Equity 13.22%	US Large Cap Equity 2.36%	High Yield Fixed Income 14.27%	International Developed Equity 24.21%	International Fixed Income 3.17%	US Mid Cap Equity 30.54%	Private Equity 20.96%	Tangible Assets 27.11%	Real Estate **3.21%
US Mid Cap Equity 34.76%	Real Estate 13.05%	International Fixed Income 1.35%	US Mid Cap Equity 13.80%	US Large Cap Equity 22.96%	Cash 1.87%	US Small Cap Equity 25.52%	US Small Cap Equity 19.96%	US Mid Cap Equity 22.58%	Cash 0.12%
US Large Cap Equity 32.41%	International Fixed Income 9.07%	Investment Grade Fixed Income 0.55%	Tangible Assets 11.77%	US Mid Cap Equity 18.52%	Investment Grade Fixed Income 0.01%	International Developed Equity 22.49%	Emerging Markets Equity 18.31%	Real Estate 22.05%	Hedge Funds -2.94%
International Developed Equity 21.02%	Investment Grade Fixed Income 5.97%	Cash 0.05%	US Large Cap Equity 11.33%	CIO Balanced Return Portfolio 14.94%	US Large Cap Equity -3.08%	Private Equity 22.43%	US Mid Cap Equity 17.10%	Private Equity 19.34%	International Fixed Income -7.52%
Real Estate 12.50%	US Small Cap Equity 4.89%	Hedge Funds -1.12%	Emerging Markets Equity 11.19%	US Small Cap Equity 14.65%	High Yield Fixed Income -4.06%	CIO Balanced Return Portfolio 20.43%	CIO Balanced Return Portfolio 14.10%	US Small Cap Equity 14.82%	Investment Grade Fixed Income -8.92%
Hedge Funds 9.13%	Hedge Funds 2.98%	CIO Balanced Return Portfolio -1.29%	Private Equity 9.87%	Private Equity 13.16%	Hedge Funds -4.75%	Emerging Markets Equity 18.42%	Hedge Funds 10.45%	CIO Balanced Return Portfolio 13.18%	High Yield Fixed Income -10.10%
High Yield Fixed Income 7.33%	CIO Balanced Return Portfolio 2.41%	US Mid Cap Equity -2.44%	Real Estate 9.73%	High Yield Fixed Income 10.43%	CIO Balanced Return Portfolio -7.74%	High Yield Fixed Income 12.56%	International Developed Equity 7.59%	International Developed Equity 12.62%	CIO Balanced Return Portfolio -10.23%
CIO Balanced Return Portfolio 3.89%	Private Equity 1.71%	High Yield Fixed Income -2.72%	CIO Balanced Return Portfolio 6.47%	Real Estate 8.90%	US Mid Cap Equity -9.06%	Hedge Funds 10.45%	Investment Grade Fixed Income 7.51%	Hedge Funds 10.16%	International Developed Equity -10.32%
International Fixed Income 1.33%	Cash 0.03%	International Developed Equity -3.04%	Hedge Funds 5.44%	Hedge Funds 8.59%	US Small Cap Equity -11.01%	Investment Grade Fixed Income 8.72%	High Yield Fixed Income 7.03%	High Yield Fixed Income 0.99%	Emerging Markets Equity -11.76%
Cash 0.07%	High Yield Fixed Income 0.01%	US Small Cap Equity -4.41%	International Fixed Income 5.20%	Investment Grade Fixed Income 3.54%	Tangible Assets -11.25%	Tangible Assets 7.69%	Real Estate 6.91%	Cash 0.05%	US Mid Cap Equity -12.87%
Investment Grade Fixed Income -2.02%	Emerging Markets Equity -2.19%	Private Equity -9.42%	International Developed Equity 2.75%	International Fixed Income 2.51%	Private Equity -13.08%	International Fixed Income 7.57%	International Fixed Income 4.20%	Investment Grade Fixed Income -1.54%	US Large Cap Equity -14.01%
Emerging Markets Equity -2.60%	International Developed Equity -4.32%	Emerging Markets Equity -14.92%	Investment Grade Fixed Income 2.65%	Tangible Assets 1.70%	International Developed Equity -14.09%	Real Estate 5.66%	Cash 0.67%	International Fixed Income -1.67%	US Small Cap Equity -16.57%
Tangible Assets -9.52%	Tangible Assets -17.01%	Tangible Assets -24.66%	Cash 0.33%	Cash 0.86%	Emerging Markets Equity -14.57%	Cash 2.28%	Tangible Assets -3.12%	Emerging Markets Equity -2.54%	Private Equity -17.50%

Sources: Morningstar Direct. Income and dividends are included in all returns figures. Factset. Bloomberg. National Council of Real Estate Investment Fiduciaries (NCREIF). CIO Balanced Return Portfolios represents Global Wealth & Investment Management Investment Strategy Committee Strategic Asset Allocation Low Tax Policy Benchmark. *Data as of 05/31/2022. **Real Estate data as of May 31, 2022 is not available; last available data as of March 31, 2022. Real Estate Benchmark is a blend of 80% NCREIF NPI & 20% NAREIT Composite for the year 2020, 2021 & 2022. Results shown are based on an index and are illustrative; they assume reinvestment of income and no transaction costs or taxes. **Indexes are unmanaged. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to index definitions, asset class proxies, methodology and important disclosures at the end of this report.**

FOUR: Make tactical adjustments but stay close to SAA

SAA represents the foundation of an investment portfolio. That said, CIO will make Tactical Asset Allocation (TAA) changes in order to capitalize on shorter-term market views. TAA refers to short-term adjustments to the long-term plan. For example, if we expect a very strong economy, we may overweight stocks and underweight bonds relative to our SAA. In our view, investors should make relatively modest tactical adjustments. If our SAA calls for a 60% allocation to stocks, we may increase the allocation to 70% (if we are very bullish) or reduce the allocation to 50% (if we are very bearish). Operating within this range ensures that we never stray too far from our long-term plan.

[4] MSCI Emerging Market Index price from 1/1/2003 to 12/31/2007.

Why do we need to stay close to our long-term plan? Because the SAA is considered our "North Star". It helps keep us on track toward our long term goals. While tactical shifts can add value, excessive tactical bets could jeopardize our long-term plan.

FIVE: Sometimes, doing nothing is ok

How should investors react to large market swings? Sometimes, swift action is appropriate. For example, in March of 2020, we rebalanced our portfolios after a large Equity sell-off. Other times, doing nothing is the best approach. In early 2022, as interest rates were spiking, we left our Fixed Income positions largely intact. Why? Because we had already reduced the duration of our portfolios in anticipation of higher interest rates.

More generally, the appropriate course of action should emerge from a disciplined investment process. Doing something for the sake of doing something is usually a bad idea and can lead to poor performance. Many investors will impulsively sell their holdings in response to a market downturn. But this strategy often backfires because some of the market's best days come right after the worst days. Investors who sell after market drops, and then sit on the sidelines, may miss out on subsequent rallies.

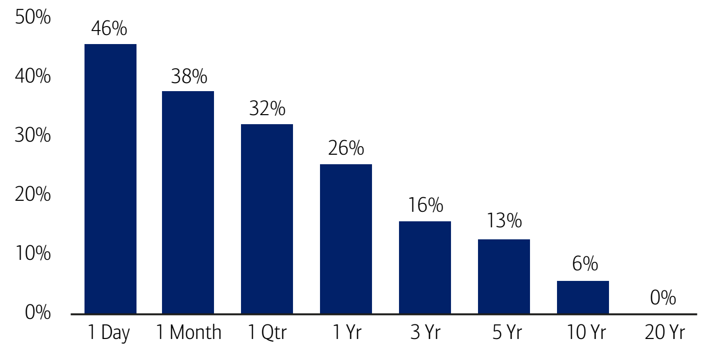
Exhibit 3 below shows the importance of time in the market rather than timing the markets. Missing just the 10 best days of each decade has a huge impact on returns. Furthermore, over long periods of time, the chance of negative market returns falls considerably. The probability of a negative return in the S&P 500 over one day is 46%. Over 20 years, that same probability drops to 0%. Staying invested is key to long-term success.

Exhibit 3: Time In The Market Matters.

Excluding the 10 best days of performance per decade for the S&P 500 drastically cuts down returns.

Decade	Price return	Excluding Best 10 Days per Decade
1930	-42%	-79%
1940	35%	-14%
1950	257%	167%
1960	54%	14%
1970	17%	-20%
1980	227%	108%
1990	316%	186%
2000	-24%	-62%
2010	190%	95%
2020	44%	-20%
Since 1930	21,021%	52%

Over time, the probability of negative returns has decreased when invested in the S&P 500, a U.S. Equity benchmark.



Source: BofA Global Research. Data as of March 31, 2022. For right-hand chart, data reflects probability of negative equity returns going back to 1929 based on S&P 500 performance. **Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Past performance is no guarantee of future results. Please refer to index definitions and important disclosures at the end of this report.**

Indiscriminately pulling back from the market due to the market volatility could negatively impact your investment and financial plan

CONCLUSION

No one said it was going to be easy. Investing tests our emotions as much as our analytical skills. Recent market conditions have certainly placed investors on edge. The temptation to "do something" remains high. But investing is inherently uncertain, and no perfect solution exists. In our experience, impulsive decision-making is the greatest hazard to our financial well-being, even more so than market declines. Instead of focusing on headlines and day-to-day market movements, review the five principles we outlined. They have helped us navigate the worst of times.

Index Definitions and Asset Class Proxies

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

Inflation	IA SBBI US Inflation	The Consumer Price Index for All Urban Consumers, or CPI-U, is used by IA SBBI to measure inflation, which is the rate of change of consumer goods prices. All inflation measures are constructed by the U.S. Department of Labor, Bureau of Labor Statistics, Washington.
Cash	IA SBBI US 30 Day TBill TR USD & BofA U.S. Treasury Bills 3 months	For the IA SBBI U.S. Treasury Bill Index, the CRSP U.S. Government Bond File is the source from 1926 to 1976. Each month a one-bill portfolio containing the shortest-term bill having not less than one month to maturity is constructed. (The bill's original term to maturity is not relevant). The ICE BofA Global Research US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date.
US Large Cap Growth	Russell 1000 Growth Total Return	measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.
US Large Cap Value	Russell 1000 Value Total Return	measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.
US Small Cap Growth	Russell 2000 Growth Total Return	measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.
US Small Cap Value	Russell 2000 Value Total Return	measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower expected growth values.
International Equity	MSCI Daily TR Net World Ex USA USD	captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries – excluding the United States. The index covers approximately 85% of the free float-adjusted market capitalization in each country.
Emerging Markets	MSCI Daily TR Net EM USD	captures large and mid cap representation across 23 Emerging Markets countries and targets coverage of approximately 85% of the free float adjusted market capitalization in each country.
North America	MSCI Daily TR Net North America	is designed to measure the performance of the large and mid cap segments of the US and Canada markets. The index covers approximately 85% of the free float-adjusted market capitalization in the US and Canada.
Developed Europe ex-UK	MSCI Daily TR Net Europe Ex U.K. USD	captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe. The index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.
UK	MSCI Daily TR Net UK USD	is designed to measure the performance of the large and mid cap segments of the UK market. The index covers approximately 85% of the free float-adjusted market capitalization in the UK.
Japan	MSCI Daily TR Net Japan USD	is designed to measure the performance of the large and mid cap segments of the Japanese market. The index covers approximately 85% of the free float-adjusted market capitalization in Japan.
Developed Asia Pacific ex-Japan	MSCI Daily TR Net Pacific Ex Japan USD	captures large and mid cap representation across 2 Developed Markets countries (Hong Kong and Singapore) and 8 Emerging Markets countries (China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand) in Asia. The index covers approximately 85% of the free float-adjusted market capitalization in each country.
Commodities	Bloomberg Commodity Total Return Index	is made up of 22 exchange-traded futures on physical commodities, which are weighted to account for economic significance and market liquidity.
U.S. Government & Quasi Government	ICE BofA AAA U.S. Treasury/Agency Master	tracks the performance of US dollar denominated US Treasury and non-subordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of $1 billion for sovereigns and $250 million for agencies.
U.S. Mortgage Backed	ICE BofA Mortgage Master	tracks the performance of US dollar denominated fixed rate and hybrid residential mortgage pass-through securities publicly issued by US agencies in the US domestic market. 30-year, 20-year, 15-year and interest-only fixed rate mortgage pools are included in the Index provided they have at least one year remaining term to final maturity and a minimum amount outstanding of at least $5 billion per generic coupon and $250 million per production year within each generic coupon.
U.S. Corp Master/BBB/ Sovereign	ICE BofA U.S. Corp Master	tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million.
USD High Yield (HY)	ICE BofA High Yield Cash Pay	tracks the performance of US dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the US domestic market.
International Fixed Income	ICE BofA Global Broad Market TR ex USD (Hedged)	tracks the performance of investment grade debt publicly issued in the major domestic and eurobond markets, including sovereign, quasi-government, corporate, securitized and collateralized securities, excluding all securities denominated in US dollars.
Global Governments	ICE BofA Global Govt Bond Index + ICE BofA Global Large Cap Quasi-Govt Index (Hedged)	(i) The ICE BofA Global Government Index tracks the performance of publicly issued investment grade sovereign debt denominated in the issuer's own domestic currency. (ii) The ICE BofA Global Large Cap Quasi-Government Index tracks the performance of large capitalization investment grade quasi-government debt publicly issued in the major domestic and euro-bond markets, including agency, foreign government, local government, supranational and government guaranteed securities. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch).
Bonds	Bloomberg US Aggregate Bond Index	is a broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States.
Global Corporates	ICE BofA Global Broad Market Corp (Hedged)	tracks the performance of investment grade corporate debt publicly issued in the major domestic and euro-bond markets. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date and a fixed coupon schedule.

Treasury Inflation-Protected Securities (TIPS)	ICE BofA U.S. Inflation-Linked Treasury Index	Tracks the performance of U.S. dollar-denominated inflation linked sovereign debt publicly issued by the U.S. government in its domestic market.
Global Mortgages	ICE BofA Global Broad Market Collateralized (Hedged)	The ICE BofA Global Collateralized Index tracks the performance of investment grade securitized and collateralized debt, including mortgage backed, asset backed, commercial mortgage backed, covered bond, and US mortgage pass-through securities publicly issued in the major domestic and euro-bond markets. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch).
Global HY / EM	ICE BofA Global HY Country External Corp & Govt + ICE BofA Global High Yield (Unhedged)	(i) The ICE BofA Global High Yield Country External Corporate & Government Index tracks the performance of USD and EUR denominated emerging market debt, including sovereign, quasi-government and corporate securities. (ii) The ICE BofA Global High Yield Index tracks the performance of USD, CAD, GBP and EUR denominated below investment grade corporate debt publicly issued in the major domestic or euro-bond markets.
Equity	S&P 500 Index	is a stock market index tracking the stock performance of 500 large companies listed on exchanges in the United States.

CIO Portfolio Methodology

The model performance represented within this presentation reflects investment returns which incorporate CIO tactical asset allocation and investment manager changes made overtime (known here as "The Reference Model"). Inception of the Reference Model is April 1, 2008. Changes to The Reference Model's composition of investments (both asset class weightings and specific investment strategies) are tracked continuously utilizing FactSet® to calculate monthly performance and to effectuate any necessary changes. Modifications to The Reference Model's asset class weights or investment strategies typically occur at the month-end closest to that of the announced change. GWIM ISC makes all tactical asset allocation decisions and CIO Portfolio Management team makes all fund selection decisions. Policy Benchmark refers to the CIO Balanced Low Tax Policy Benchmark. The policy benchmark for a Balanced investment objective (as of December 31, 2021) consisted of ICE BofA U.S. Treasury Bills 3 months 2%; Russell Top 2000 Total Return; 17%, Russell Mid-Cap Total Return 11%; Russell 2000 Total Return 6%; MSCI Daily Total Return Net World Ex USA USD 9%; MSCI Daily Total Net Emerging Market USD 5%; Bloomberg US Aggregate Total Return; USD 24%, ICE BofA Global Broad Market Total Return ex USD (Hedged) 8%; Bloomberg Global High Yield Total Return USD (Unhedged) 2%; Hedge Fund Research HFRI Fund Weighted Composite 12%; Bloomberg Commodity Total Return 4%.

Important Disclosures

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

Bank of America, Merrill, their affiliates, and advisors do not provide legal, tax, or accounting advice. Clients should consult their legal and/or tax advisors before making any financial decisions.

This information should not be construed as investment advice and is subject to change. It is provided for informational purposes only and is not intended to be either a specific offer by Bank of America, Merrill or any affiliate to sell or provide, or a specific invitation for a consumer to apply for, any particular retail financial product or service that may be available.

The Chief Investment Office (CIO) provides thought leadership on wealth management, investment strategy and global markets; portfolio management solutions; due diligence; and solutions oversight and data analytics. CIO viewpoints are developed for Bank of America Private Bank, a division of Bank of America, N.A., ("Bank of America") and Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S" or "Merrill"), a registered broker-dealer, registered investment adviser and a wholly owned subsidiary of Bank of America Corporation ("BofA Corp.").

The Global Wealth & Investment Management Investment Strategy Committee (GWIM ISC) is responsible for developing and coordinating recommendations for short-term and long-term investment strategy and market views encompassing markets, economic indicators, asset classes and other market-related projections affecting GWIM.

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.

Bank of America nor Merrill assume no responsibility for any of the foregoing performance information, and does not guarantee the accuracy of the returns which have been provided by the index sponsor, nor verify the validity or accuracy of the self-reported returns of the managers used to calculate the index returns.

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

Investments have varying degrees of risk. Some of the risks involved with equity securities include the possibility that the value of the stocks may fluctuate in response to events specific to the companies or markets, as well as economic, political or social events in the U.S. or abroad. Small cap and mid cap companies pose special risks, including possible illiquidity and greater price volatility than funds consisting of larger, more established companies. Investing in fixed-income securities may involve certain risks, including the credit quality of individual issuers, possible prepayments, market or economic developments and yields and share price fluctuations due to changes in interest rates. Bonds are subject to interest rate, inflation and credit risks. Municipal securities can be significantly affected by political changes as well as uncertainties in the municipal market related to taxation, legislative changes, or the rights of municipal security holders. Income from investing in municipal bonds is generally exempt from federal and state taxes for residents of the issuing state. While the interest income is tax-exempt, any capital gains distributed are taxable to the investor. Income for some investors may be subject to the Federal Alternative Minimum Tax. Investments in high-yield bonds (sometimes referred to as "junk bonds") offer the potential for high current income and attractive total return, but involves certain risks. Changes in economic conditions or other circumstances may adversely affect a junk bond issuer's ability to make principal and interest payments. Treasury bills are less volatile than longer-term fixed income securities and are guaranteed as to timely payment of principal and interest by the U.S. government. Mortgage-backed securities are subject to credit risk and the risk that the mortgages will be prepaid, so that portfolio management may be faced with replenishing the portfolio in a possibly disadvantageous interest rate environment. Investments in foreign securities (including ADRs) involve special risks, including foreign currency risk and the possibility of substantial volatility due to adverse political, economic or other developments. These risks are magnified for investments made in emerging markets. Investments in a certain industry or sector may pose additional risk due to lack of diversification and sector concentration. Investments in real estate securities can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates, and risk related to renting properties, such as rental defaults. There are special risks associated with an investment in commodities, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors.

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.

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