Merrill Edge Small Business 401(k) Program Disclosure Statement for Endorsement of Morningstar Investment Management LLC

The Merrill Edge Small Business 401(k) Program is a bundled service offering of brokerage, investment management, record keeping and related benefit plan services ("MESB 401(k) Program"). Morningstar Investment Management LLC ("Morningstar") provides the investment management services. Merrill, Lynch, Pierce, Fenner & Smith Incorporated ("Merrill") provides the brokerage services. Ascensus, LLC provides the record keeping and other related benefit plan services.

Non-Client Status.

This endorsement of Morningstar for the MESB 401(k) Program is not made by Merrill in the capacity of a client of Morningstar or as a MESB 401(k) Program client.

Compensation Provided.

Cash and non-cash compensation will be provided to Merrill for this endorsement if you enroll in the MESB 401K Program.

Material Conflicts of Interest.

Merrill has material conflicts of interest giving this endorsement of Morningstar on this website because Merrill's compensation for services under the MESB 401(k) Program is dependent on customer use of Morningstar's investment advisory services. Morningstar's investment advisory services are the only investment advisory services offered under the MESB 401(k) Program and lack of customer's use of Morningstar's investment advisory services would, therefore, result in Merrill unable to receive compensation for this product.

Material Terms of Compensation Arrangement.

If a customer uses the MESB 401(k) Program, a customer will pay Merrill a recurring annual fee of 0.25% of the assets held in the Merrill brokerage account for the plan. In addition, Merrill will receive other compensation from other sources. To access a description of Merrill's direct and indirect compensation under the MESB 401(k) Program, please click on the attached link:
https://business.bofa.com/content/dam/flagship/workplace-benefits/pdf/MSB-401k-408b2-fee-disclosure.pdf

Other Services. For customers that use the MESB 401(k) Program, Merrill generally provides brokerage services which includes certain transactional, record keeping, custodial, and reporting services, such as the purchase and sale of securities, accounting for all trading, clearing and settlement activity and the holding of all plan securities in an SEC Compliant control location. Monthly transaction statements detailing all securities brokerage account transactions during the preceding month are also provided.

As a global provider of investment management and advisory services to clients, Morningstar engages in a broad spectrum of activities, inclusive of a broad array of services provided to Merrill. For the MESB 401(k) Program, Morningstar provides investment advisory services to customers as a registered investment advisor under the Investment Advisors Act of 1940 and as a fiduciary under Section 3(38) of the Employee Retirement Income Security Act of 1974, as amended. Morningstar and its affiliates also provide services for other Merrill retirement plan service offerings including Morningstar Fact Sheets, Retirement Data Feed, Advice Access, GoalManager, and more. These services provide asset allocation models, retirement managed accounts, and investment data licensing for client reporting.

Merrill and Merrill affiliates, for distribution and sales support activities, marketing activities and other activities, receive compensation and other payments from Morningstar and its affiliates. Also, like other financial services companies who have business activities with Morningstar, Merrill receives payments from Morningstar and its affiliates for services, including but not limited to, banking services and debt servicing.

MERRILL DISCIPLINARY DISCLOSURE[1]

On April 17, 2020, the SEC issued an administrative order in which it found that Merrill had willfully violated Section 206(2) of the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Specifically, the order found that from January 1, 2014 to May 31, 2018 (the "Relevant Period"), Merrill failed to disclose in its Form ADV or otherwise the conflicts of interest related to (a) its receipt of 12b-1 fees, and/or (b) its selection of mutual fund share classes that pay such fees. During the Relevant Period, Merrill received 12b-1 fees for advising clients to invest in or hold such mutual fund share classes. In determining to accept Merrill's offer of settlement, the SEC considered that Merrill self-reported to the SEC pursuant to the Share Class Selection Disclosure Initiative and had completed a number of the undertakings in the order prior to issuing the order. In the order, Merrill: (i) was censured, (ii) was ordered to cease and desist from committing or causing any violations and any future violations of Section 206(2) of the Advisers Act, (iii) was ordered to pay disgorgement of $297,394 and prejudgment interest of $27,982, and (iv) was ordered to comply with the undertakings to pay such disgorgement and prejudgment interest amounts to affected investors.

On August 20, 2018, the SEC announced the issuance of an administrative order in which it found that Merrill had willfully violated Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 promulgated there under. Specifically, the order found that Merrill failed to disclose that the portfolio manager evaluation process employed in connection with a January 2013 termination recommendation was exposed to a conflict of interest involving other business interests and failed to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act. In determining to accept Merrill's offer, the SEC considered remedial acts promptly undertaken by Merrill and cooperation afforded the SEC. In the order, Merrill (i) was censured, (ii) was ordered to cease and desist from committing or causing any violations and any future violations of Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 promulgated thereunder, (iii) was ordered to pay disgorgement of $4,032,871.89 and prejudgment interest of $806,981.03, and (iv) was ordered to pay a civil monetary penalty of $4,032,871.89.

On June 19, 2018, the SEC issued an administrative order in which it found that Merrill had willfully violated Section 17(a)(2) and (3) of the Securities Act of 1933 ("Securities Act"). Specifically, the order found that Merrill hid its practice of routing certain customer orders to other broker-dealers ("External Liquidity Providers" or "ELPs"), including proprietary trading firms and wholesale market makers, for execution, and that, as a result, Merrill's customers did not know that (1) some of their orders were executed at ELPs; and (2) other orders were exposed to ELPs before being executed at other venues. The order found that Merrill's statements and omissions in communications to customers through responses to questionnaires, messages regarding trade executions, reports, and billing statements were materially misleading concerning orders that Merrill sent to ELPs and orders that the ELPs executed and that efforts to mask the correct trading venues, including by altering trade reporting programs, operated as a fraud or deceit upon its customers. In the order, Merrill (i) admitted to certain facts set forth in the order, (ii) was censured, (iii) was ordered to cease and desist from committing to causing any violations any future violations of Sections 17(a)(2) and (3) of the Securities Act, and (iii) was ordered to pay a civil monetary penalty of $42,000,000.

On June 12, 2018, the SEC issued an administrative order in which it found that Merrill had failed reasonably to supervise for violations of antifraud provisions of the federal securities laws within the meaning of section 15(b)(4)(E) of the Exchange Act in connection with Merrill's secondary market purchases and sales of non-agency residential mortgage-backed securities ("RMBS"). Specifically, the order found that (a) Merrill personnel who purchased and sold non-agency RMBS made false or misleading statements directly and indirectly to Merrill customers and/or charged Merrill customers undisclosed excessive mark-ups, (b) Merrill had both policies that prohibited false or misleading statements and the means to monitor communications for such statements, but that the Firm failed reasonably to implement procedures to monitor for the types of false or misleading statements referenced in the order, and (c) Merrill had policies that prohibited excessive mark-ups and procedures to monitor for excessive mark-ups on transactions in non-agency RMBS, but the policies and procedures were not

[1] Certain disclosures discuss disciplinary events associated with Banc of America Securities LLC ("BAS"). BAS merged with Merrill Lynch on November 1, 2010.

reasonably designed and implemented. In determining to accept the order, the SEC considered remedial steps that Merrill has undertaken. In the order, Merrill was (i) censured, (ii) ordered to pay disgorgement and prejudgment interest totaling $10,535,441, and (iii) ordered to pay a civil monetary penalty of $5,267,720.

On March 8, 2018, the SEC issued an administrative order in which it found that Merrill had willfully violated Section 5(a) and (c) of the Securities Act. Specifically, the order found that Merrill failed to conduct a reasonable inquiry into "red flags" raised during Merrill's review of the sale of certain American Depository Shares. The order finds that Merrill did not have a reasonable basis for concluding that sales were not a distribution. In the order, i) Merrill was censured, (ii) Merrill was ordered to cease and desist from committing or causing any violations and any future violations of Sections 5(a) and (c) of the Securities Act, (iii) Merrill was ordered to pay disgorgement of $127,545, prejudgment interest of $27,340, and (iv) Merrill was ordered to pay a civil monetary penalty of $1,250,000.

On December 21, 2017, Merrill entered into settlements with the SEC and the Financial Industry Regulatory Authority, Inc. ("FINRA") resulting in the entry of the order ("Order") by the SEC and a letter of acceptance, waiver and consent ("AWC") by FINRA. The SEC and FINRA actions involved deficiencies in Merrill's implementation of certain systems and procedures that comprise its anti-money laundering ("AML") program related to retail brokerage accounts. Because of the deficiencies in its AML policies and procedures, the SEC found that Merrill failed to adequately monitor for, detect and report certain suspicious activity related to transactions or patterns of transactions in its customers' accounts. By failing to file suspicious activity reports as required, the SEC found that Merrill willfully violated Section 17(a) of the Exchange Act and Rule 17a-8 thereunder. Similarly, FINRA found that Merrill failed to implement adequate systems and procedures as part of its AML program and, accordingly, violated FINRA Rules 3310(a) and 2010. Merrill consented to the entry of the SEC Order and the FINRA AWC without admitting or denying the findings made by the SEC and FINRA. In connection with these actions, Merrill was ordered by the SEC to cease and desist from committing or causing any violation and any future violation of Exchange Act Section 17(a) or Rule 17a-8, was censured, and was ordered to pay a civil money penalty of $13,000,000. Merrill was also censured by FINRA and fined $13,000,000.

On September 26, 2016, Merrill entered into a settlement with the SEC resulting in the SEC issuing an order. Merrill consented to the entry of the order (the "Order") that finds that it violated Section 15(c)(3) of the Exchange Act and Rule 15c3-5 thereunder (the "Market Access Rule"). The Order finds that Merrill violated the Market Access Rule by failing to establish, document, and maintain a system of risk management controls and supervisory procedures reasonably designed to manage the financial, regulatory, and other risks of its market access activity. In particular, Merrill failed to establish pre-trade risk management controls reasonably designed to prevent the entry of erroneous orders, to establish pre-trade risk management controls reasonably designed to prevent the entry of orders that would exceed pre-set credit or capital limits for several of its trading desks, to establish required controls and procedures for fixed income securities, to review adequately the effectiveness of its risk management controls and supervisory procedures required by the Market Access Rule, particularly for preventing the entry of erroneous orders, and to comply with the Rule's CEO certification requirements. Solely for the purpose of settling these proceedings, Merrill consented to the Order without admitting or denying the findings in the Order, except as to the SEC's jurisdiction over it and the subject matter. The Order censures Merrill and directs it to cease-and-desist from committing or causing any violations and any future violations of Exchange Act Section 15(c)(3) and Rule 15c3-5 thereunder. Additionally, the Order requires Merrill to pay a $12,500,000 civil money penalty.

On June 23, 2016, the SEC issued an administrative order in which it found that Merrill and Merrill Lynch Professional Clearing Corp. ("MLPro") (collectively, "ML") had willfully violated Section 15(c)(3) of the Exchange Act and Rule 15c3-3 thereunder and Section 17(a)(1) of the Exchange Act and Rules 17a-3(a)(10) and 17a-5(a) thereunder, and that Merrill willfully violated Section 17(a)(1) of the Exchange Act and Rules 17a-5(d)(3) (as it existed prior to amendments to Rule 17a-5 in 2014), 17a-5(d)(2)(ii), 17a-5(d)(3) and 17a-11(e) thereunder, and Exchange Act Rule 21F-17. Specifically, the order found that (i) ML engaged in a series of complex trades that allowed it to use customer cash to finance firm inventory, (ii) Merrill allowed certain of its clearing banks to hold liens on customer securities, and (iii) Merrill used language in certain of its policies, procedures, and agreements with employees that unduly limited the disclosure of confidential information. In determining to accept ML's offer, the SEC considered remedial acts promptly undertaken by ML and substantial cooperation afforded the SEC staff

during the course of its investigation. In the order, (i) Merrill and MLPro were censured, (ii) Merrill was ordered to cease and desist from committing or causing any violations and any future violations of Sections 15(c)(3) and 17(a)(1) of the Exchange Act and Rules 15c3-3, 17a-3(a)(10), 17a-5(a), 17a-5(d)(2)(ii), 17a-5(d)(3), 17a-11(e) and 21F-17 thereunder, (iii) MLPro was ordered to cease and desist from committing or causing any violations and any future violations of Sections 15(c)(3) and 17(a)(1) of the Exchange Act and Rules 15c3-3, 17a-3(a)(10) and 17a-5(a) thereunder, (iv) Merrill and MLPro were ordered to pay disgorgement of $50,000,000 and prejudgment interest in the amount of $7,000,000, and (v) Merrill was ordered to pay a civil monetary penalty of $358,000,000.

Pursuant to an SEC administrative order (the "Order") on June 18, 2015, without admitting or denying any allegations, Merrill was ordered to cease and desist from violations of Section 17(a)(2) of the Securities Act that the SEC alleged resulted from inadequate due diligence conducted by Merrill in certain offerings of municipal securities that resulted in Merrill failing to form a reasonable basis for believing the truthfulness of certain material representations in official statement issued in connection with those offerings. Specifically, the SEC alleged that Merrill failed to form a reasonable basis through adequate due diligence for believing the truthfulness of the assertions by these issuers and/or obligors regarding their compliance with previous continuing disclosure undertakings pursuant to Rule 15c2-12 under the Exchange Act . The SEC further alleged that, as a result, Merrill offered and sold municipal securities on the basis of materially misleading disclosure documents. Merrill also was ordered to pay a civil money penalty of $500,000 and to comply with undertakings enumerated in the Order that include engaging an independent consultant to review and recommend changes to Merrill's due diligence process for ensuring future compliance.

On June 1, 2015, Merrill and MLPro consented to an administrative order from the SEC (the "Administrative Order") for violations of Rule 203(b) of Regulation SHO ("Reg SHO") in connection with its practices related to its execution of short sales. Specifically, the Administrative Order alleges that Merrill and MLPro (a) improperly accepted new short sale orders in reliance on the firm's easy to borrow list ("ETB List") after having learned of facts indicating that such reliance was no longer reasonable and therefore orders were accepted without reasonable grounds to believe the security could be borrowed, and (b) in certain instances, used data that was more than 24 hours old to construct its ETB List, which, at times, resulted in securities being included on the ETB List when they otherwise should not have been. Merrill and MLPro have consented to: (a) cease and desist from committing or causing any violations and any future violations of Rule 203(b) of Reg SHO; (b) be censured; (c) pay disgorgement of $1.56 million plus prejudgment interest; (d) pay a civil monetary penalty of $9 million; and (e) comply with certain undertakings, including retaining an independent consultant within thirty (30) days of entry of the Administrative Order to conduct a review of their policies, procedures and practices with respect to their acceptance of short sale orders for execution in reliance on the firm's ETB List and procedures to monitor compliance therewith to satisfy Reg SHO.

On November 25, 2014, Merrill and Bank of America, N.A. ("BANA") received relief from the staff of the SEC that stated that the staff would not recommend enforcement action to the SEC under Section 206(4) of the Advisers Act and Rule 206(4)-3 thereunder if any investment adviser pays Merrill or BANA a cash solicitation fee, directly or indirectly, for the solicitation of advisory clients in accordance with Rule 206(4)-3, notwithstanding an injunctive order issued by the United States District Court for the Western District of North Carolina that otherwise would preclude such an investment adviser from paying such a fee, directly or indirectly, to BANA, Merrill, or certain related persons. As part of the relief, Merrill is providing the following disclosure to clients in connection with this arrangement which involves the receipt of a cash solicitation fee, directly or indirectly, for the solicitation of advisory clients in accordance with Rule 206(4)-3.

Pursuant to consents executed by BANA, Banc of America Mortgage Securities, Inc. ("BOAMS"), and Merrill (successor by merger to Bank of America Securities LLC ("BAS")), and filed with the district court on November 24, 2014, BANA, BOAMS and Merrill have consented to injunctions concerning the offer and sale of certain residential mortgage-backed securities ("RMBS") to investors. Without admitting or denying the allegations, BANA, BOAMS and Merrill (a) consented to permanent injunctions against violations of Sections 17(a)(2) and (3) of the Securities Act and (b) were ordered to pay disgorgement of $109.22 million, prejudgment interest of $6.62 million, and a penalty of $109.22 million. Additionally, without admitting or denying the allegations, Merrill and BOAMS consented to permanent injunctions against violations of Section 5(b)(1) of the Securities Act. With respect to the alleged violations of Sections 17(a)(2) and (3) of the Securities Act, SEC alleged that BANA, BOAMS and Merrill

underwrote a prime RMBS known as BOAMS 2008-A and failed to comply with its representation that each mortgage underlying the securitization complied with applicable underwriting guidelines.

Additionally, the SEC alleged that BANA, BOAMS and Merrill did not disclose the percentage of loans collateralizing BOAMS 2008-A that were originated by third-party mortgage brokers ("wholesale channel loans") and the risks attendant with such loans. Specifically, the SEC alleged that wholesale channel loans were more likely to have material underwriting errors, become delinquent, fail early in the life of the loan, or to prepay.

Finally, the SEC alleged that BANA, BOAMS and Merrill provided investors and the various rating agencies with documents that materially misrepresented material facts about debt to income and original combined loan-to-value ratios for the loans underlying BOAMS 2008-A.With respect to the alleged violations of Section 5(b)(1) of the Securities Act, the SEC alleged that BAS and BOAMS disclosed preliminary data, including preliminary loan tapes, which reflected the percentage of wholesale channel loans collateralizing BOAMS 2008-A to certain, but not all, investors and that BAS and BOAMS did not file this preliminary data with the SEC, as required by Section 5(b)(1) of the Securities Act.