TIDES
A Force for Social Good

File Number S7-23-19

Vanessa Countryman
Secretary, SEC
100 F Street, NE
Washington, DC 20549

January 15, 2020

Dear Ms. Countryman,

We are pleased to write to provide comments on the proposed changes to the SEC Rules governing shareholder resolutions.

Tides is a philanthropic partner and nonprofit accelerator dedicated to a world of shared prosperity and social justice founded on equality and human rights; a sustainable environment; healthy individuals and communities; and quality education. Tides' impact solutions include philanthropic giving and grantmaking, impact investing, fiscal sponsorship and acceleration services for social ventures, collaborative workspaces, collective initiatives, and advocacy services for policy change.

As of January 2020, Tides managed more than $550 million in assets and has deployed more than $3 billion in grants worldwide since its founding in 1976. As one of the earliest impact investors, Tides believes active shareholder engagement with publicly-traded companies adds to our portfolio's financial value.

As a foundation dedicated to preserving and protecting the corpus of our portfolio for the long term as well as ensuring returns that allow us to pursue our grantmaking, we are deeply concerned about how ESG issues affect our portfolio. We believe, as an expanding number of investors do, that ESG issues can have a real and tangible impact on our investment portfolio. Our oldest public equities investment strategy, which is actively involved in creating value through active shareholder engagement, has had a net return of 8.9% since inception (1987) compared to a 7.7% return for the S&P 500. We strive to invest our portfolio consistent with our mission, seeking to invest in and support companies focused on a sustainable environment, quality education, and healthy individuals and communities. To that end, we engage with publicly-traded companies to protect long-term shareholder value and further our mission, in cooperation with our investment managers.

As part of our commitment to, and as an investor committed to Mission Related Investing, we join in the filing of shareholder resolutions. Thus, the new SEC rules will have a direct impact on our work as it relates to shareholder advocacy. Tides has been involved in sponsoring resolutions for approximately 20 years. As one of the more active foundations involved in shareholder advocacy, we have filed and co-filed dozens of resolutions throughout those two decades.

The SEC is aware of the growing number of investors who are actively and publicly committed to ESG investing, represented most graphically by the growing number of signatories to the Principles for Responsible Investment (PRI) which has reached 2,300 investor signatories with AUM of approximately $90 Trillion. You have received letters from PRI describing their response to the proposed rules.

TIDESFOUNDATION

SAN FRANCISCO 1012 Torney Avenue / San Francisco, California 94129 / **T** 415.561.6400 **F** 415.561.6401

NEW YORK 55 Exchange Place, Suite 402 / New York, New York 10005 / **T** 212.509.1049 **F** 212.509.1059

Signatories to the PRI believe that having meaningful ESG information is vital for both investment decisions and assisting in engagement with companies. Thus, they actively engage companies seeking information on issues like diversity, climate risk, and human rights through dialogue and often through shareholder resolutions. As a result, it is important to protect our rights as investors to petition a company using the shareholder resolution process.

ESG investing, often called Sustainable Investing, can no longer be described as a “fad or a fringe issue.” It is very much part of mainstream investing. In fact, BlackRock’s Larry Fink has described Sustainable Investing as the wave of the future.

We believe the drafters of the proposed rules were insufficiently informed about the information needs of such investors and the growth of ESG Investing, and did not research the negative ways in which the proposed rules would affect such investors who seek relevant ESG information to help make basic investment decisions. For example, shareholder resolutions asking for diversity or climate related information to help investors make stock selections may be negatively affected by the proposed restrictive new rules.

We are aware that many of the industry trade associations who have pressed for radical changes in the shareholder resolution rules, namely the BRT, NAM and the U.S. Chamber of Commerce, have routinely criticized the proponents of resolutions as having a “social or political agenda” and being unconcerned about the bottom line. We believe this convenient scapegoating and “character assassination” is both inaccurate and a convenient way to diminish the value and financial impact of such resolutions.

Ironically, it also contradicts the important 2019 statement by 181 CEOs who are BRT members who vigorously supported the concept that companies need to address a range of stakeholders needs and not just the narrow financial interests of stockholders, understanding these issues often have a distinct impact on the bottom line.

Careful research demonstrates that the policy statements of many resolution sponsors describe their duty as fiduciaries as a major motivating factor in the filing of such resolutions. And the resolution texts themselves often refer to the business case for the request in the resolution.

We fear this negative perception of proponents has affected the SEC as they have proposed changes, small and large, restricting the ability to file resolutions. We would ask the SEC to study the policies of many major proponents to confirm that they use the shareholder resolution process to advance their interests as fiduciaries.

In fact, we believe the SEC should be opening up the shareholder resolution process to simplify the ability of investors to address important and material ESG issues.

The relevance of ESG issues and shareholder engagement is being profiled and described in detail by companies like Bank of America (“BofA”). We enclose a December 14, Financial Times article profiling a BofA study on how ESG problems have direct and measurable negative impact on shareholder value and a copy of the BofA study, “ESG Matters”.

We believe that before issuing such a package of new restrictive rules, the SEC should review this and other studies that highlight the financial value of ESG issues and evaluate how making it more difficult for investors who file resolutions on ESG topics may in fact harm investor financial interests. This BofA paper is but one of dozens from mainstream financial banks and investment firms highlighting the risks and opportunities related to investing using ESG criteria. Tides believes the present Rule changes should not be passed and calls on the SEC to examine such studies as part of their final deliberations.

Sincerely,

Judith Hill, Chief Financial Officer, Tides ([redacted])
Suneela Jain, General Counsel, Tides ([redacted])
Dhaval Patel, Director of Investments, Tides ([redacted])

Tides
1012 Torney Avenue
San Francisco, CA 94129

ESG Matters - US

10 reasons you should care about ESG

Bank of America Merrill Lynch

23 September 2019 Corrected

Equity and Quant Strategy
United States

Savita Subramanian
Equity & Quant Strategist
BofAS

James Yeo
Equity & Quant Strategist
BofAS

Jill Carey Hall, CFA
Equity & Quant Strategist
BofAS

Toby Wade
Equity & Quant Strategist
BofAS

Alex Makedon
Cross-Asset & Quant Strategist
BofAS

Ohsung Kwon, CFA
Equity & Quant Strategist
BofAS

Jimmy Bonilla
Equity & Quant Strategist
BofAS

ESG stands for Environmental, Social and Governance.

This is a redacted version of our ESG primer. BofA Securities clients can access the full report through their BofA Securities representative.

In our updated ESG primer, we cover a number of new topics ranging from climate change to management quality and controversies. Below, we highlight 10 reasons why we think you should care about ESG.

1. You *can* do good and do well

ESG could boost your returns by a significant amount: a strategy of buying stocks that rank well on ESG metrics would have outperformed the market by up to 3 percentage points per year over the last 5 years.

2. A tsunami of assets is poised to invest in "good" stocks

Three critical investor cohorts care deeply about ESG: women, millennials, and high net worth individuals. Based on demographics, we estimate over $20 trillion of asset growth in ESG funds over the next two decades – equivalent to the size of the S&P 500 today.

3. 70% of US assets can't be analyzed *without* using ESG

Intangible assets — assets tied to reputation, brand and intellectual property – have reached record highs for the S&P 500 companies. Analyzing financial metrics alone simply won't suffice anymore, in our view.

4. Happy employees = better returns

Companies with high employee satisfaction ratings on Glassdoor.com have outperformed those with low ratings by nearly 5 percentage points per year over the past 6 years.

5. The best signal of earnings risk we have found

Traditional financial metrics, such as earnings quality, leverage and profitability don't come close to ESG as a signal of future earnings volatility or bottom-line risk.

6. ESG could have helped avoid 90% of bankruptcies

15 out of 17 (90%) bankruptcies in the S&P 500 between 2005 and 2015 were of companies with poor Environmental and Social scores five years prior to the bankruptcies.

7. "Good" companies enjoy a lower cost of capital

Just like consumers have credit scores, companies pay different rates depending on their risk profiles. The cost of debt for "good" versus "bad" companies based on ESG scores can be nearly 2 full percentage points lower.

8. ESG "controversies" have cost investors a lot

Major ESG-related controversies during the past six years were accompanied by peak-to-trough market capitalization losses of $534 billion for large US companies. Loss avoidance is key for portfolio returns over time.

9. Climate change is top-of-mind for investors

Climate change is the #1 ESG issue for ESG asset managers, according to US SIF (The Forum for Sustainable and Responsible Investment), with $3tn of ESG assets considering climate change as part of their investment decisions.

10. Actually, you already do care about ESG!

ESG is not new. Is management compensation aligned with shareholders? Is key talent happy or at risk of moving to a competitor? Does lax environmental behavior mean elevated legal risk? Stocks have been bought and sold on ESG concerns for decades. Today's ESG discussions are largely focused on standardizing or codifying these elements, like we have seen for accounting and financial standards.

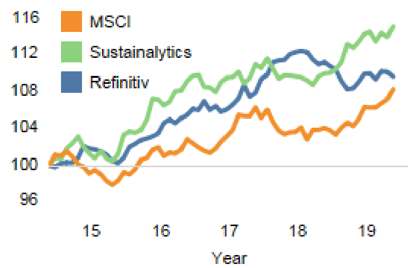
10 reasons you should care about Environmental, Social and Governance (ESG)

Exhibit 1: 10 reasons you should care about Environmental, Social and Governance (ESG)

10 Reasons You Should Care About Environmental, Social and Governance (ESG)

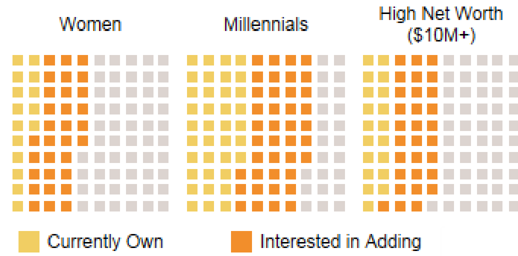
#1: ESG can generate alpha

Relative performance of top ESG-ranked companies vs. equal-weighted S&P 500



#2: Demographics suggests $20tn asset potential

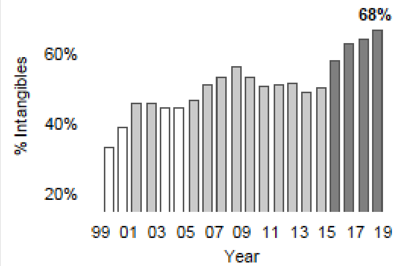
Q: Do you currently own or are you interested in adding ESG assets to your portfolio?



*each box represents 1% of survey respondents

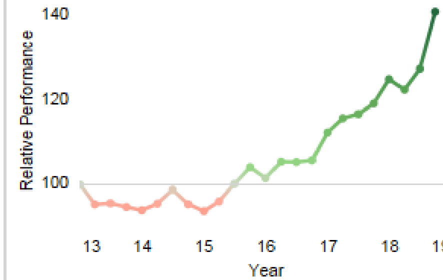
#3: Financial metrics alone won't suffice anymore

Intangible assets as % of total S&P 500 book value



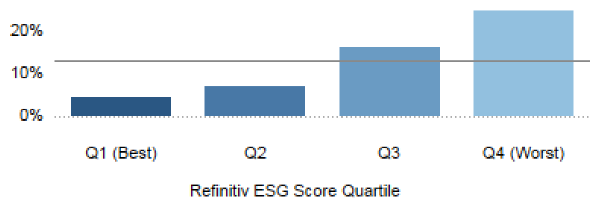
#4: Happy employees = $

Relative performance of top Glassdoor-ranked companies vs. bottom-ranked companies



#5: The best signal of bottom line risk we have found

Median change in companies' EPS volatility over the next 3 years vs. their ESG scores (2005-2018)

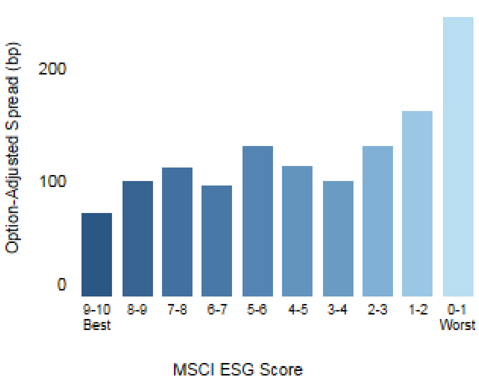


#6: Avoid bankruptcy risks

90% of bankruptcies in the S&P 500 between 2005 and 2015 could have been avoided by screening out companies with below-average **Environmental** & **Social** scores 5 years prior

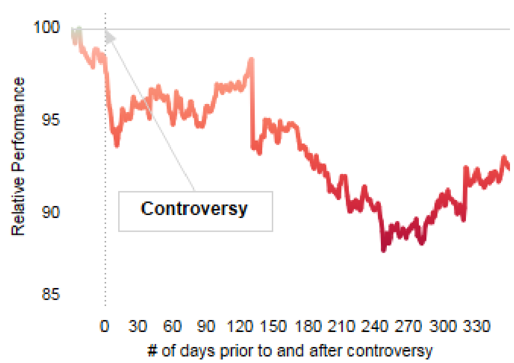
#7: "Good" companies enjoy lower funding costs

S&P 500 companies' weighted-average cost of debt vs. their ESG scores (8/2019)



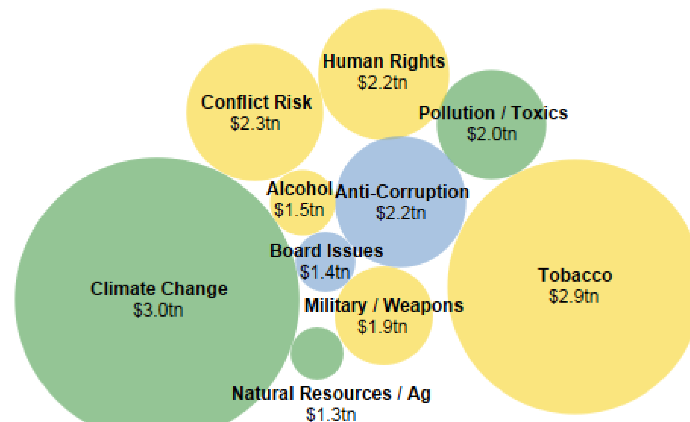
#8: ESG controversies can cost a lot

Average peak-to-trough performance of ESG controversy stocks relative to the S&P 500 (30 days prior to through 360 days post controversy)



#9: Climate change = $3tn opportunity

ESG categories incorporated by money managers in US



#10: Actually, you already do care about ESG!

Is **management compensation** aligned with shareholders?
Is **key talent** happy or at risk of moving to a competitor?
Does lax **environmental behavior** mean elevated legal risk?

Stocks have been bought and sold on ESG concerns for decades. Today's ESG discussions are largely focused on standardizing or codifying these elements, like we have seen for accounting and financial standards.

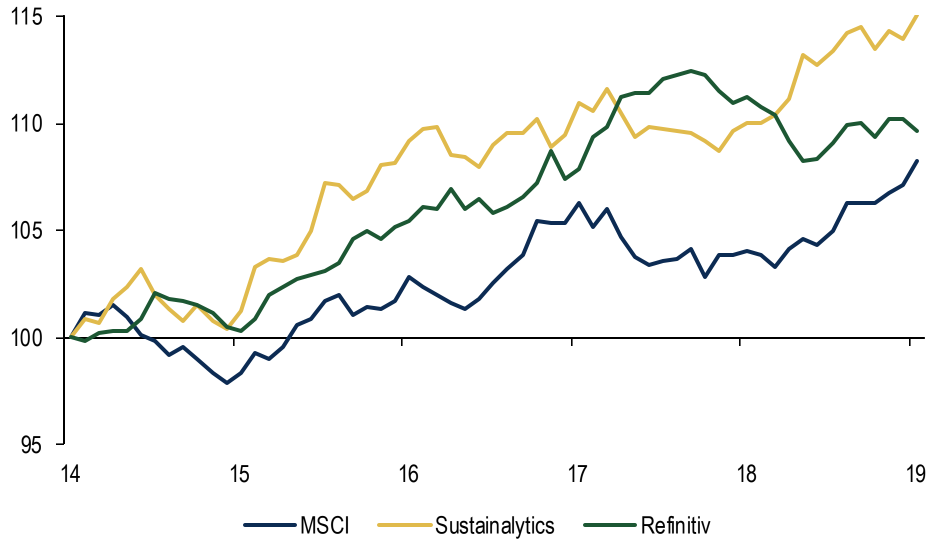
Source: BofA Merrill Lynch US Equity & Quant Strategy, MSCI ESG Research LLC, Sustainalytics, Refinitiv, FactSet, ThinkNum, US SIF, 2018 U.S. Trust Wealth and Worth Survey

1. You *can* do good and do well

ESG could boost your returns by a significant amount: buying a strategy of stocks that rank well on ESG metrics would have outperformed the market by up to 3 percentage point per year over the last five years, based on our backtested analysis.

Chart 1: ESG has generated consistent alpha in recent years

Relative performance of top quintile companies by ESG scores vs. equal-weighted universe 1/2007-8/2019



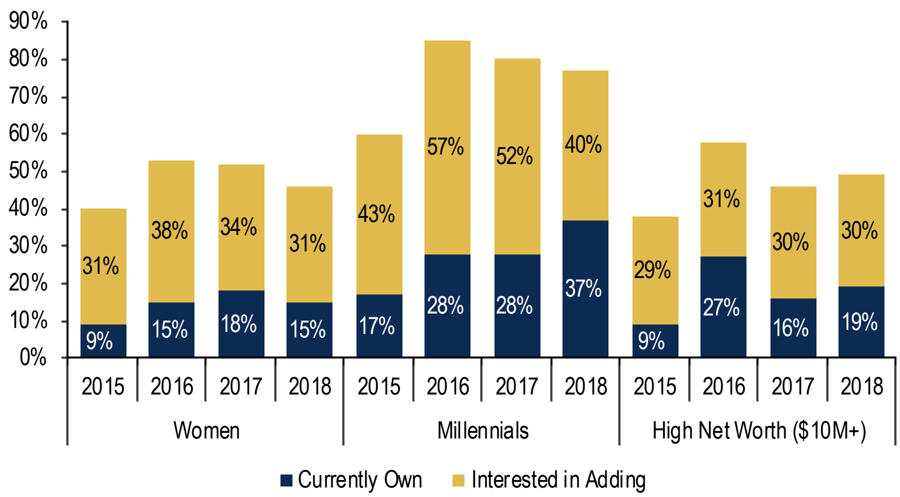
Source: MSCI ESG Research LLC, Sustainalytics, Refinitiv, FactSet, BofA Merrill Lynch US Equity & Quant Strategy
Backtesting is hypothetical in nature and reflects application of the analytical approach prior to its introduction. It is not actual performance and is not intended to be indicative of future performance.

2. A tsunami of assets poised to invest in "good" stocks

Three critical investor cohorts care deeply about ESG: women, millennials, and high net worth individuals. Based on demographics, we conservatively estimate over $20tn of assets growth in ESG funds over the two decades — equivalent to the S&P 500 today.

Chart 2: Momentum building for Impact Investing in bellweather demographic segments

% of survey respondents who currently own or plan to add exposure to ESG assets



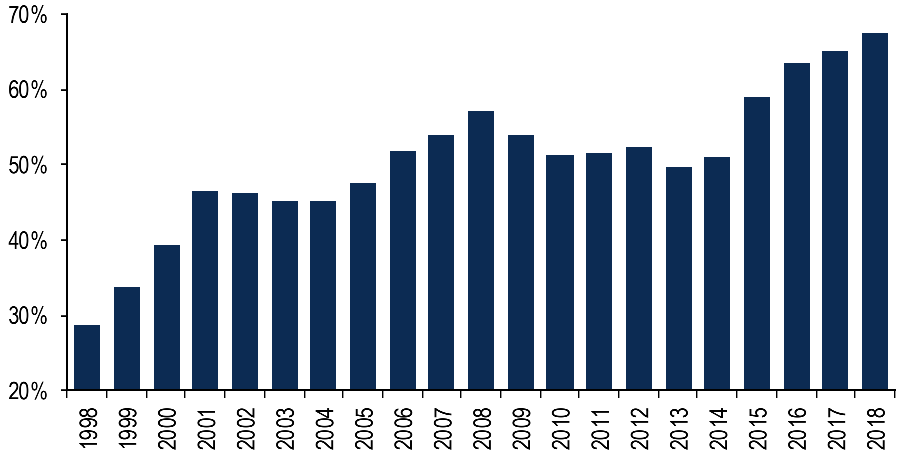
Source: 2018 U.S. Trust Wealth and Worth Survey

3. 70% of US assets can't be analyzed *without* using ESG

The proportion of "intangible assets" of S&P 500 companies, assets tied to reputation, brand and intellectual property rather than evaluable tangible assets, have reached record highs. Analysis of financial metrics simply won't suffice anymore in our view.

Chart 3: Asset opacity in the US is at an all-time high

S&P 500 intangible assets as a percent of book value, 1998-2018



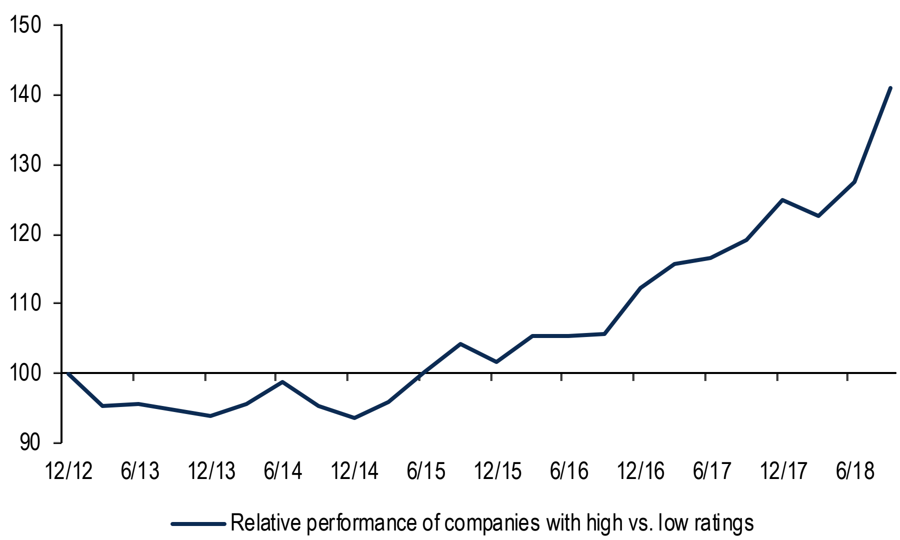
Source: FactSet, BofA Merrill Lynch US Equity & Quant Strategy

4. Happy employees = better returns

Companies with high employee satisfaction ratings on Glassdoor.com have outperformed those with low ratings by nearly 5 percentage points a year over the past six years.

Chart 4: Companies that are ranked higher on Glassdoor have outperformed their counterparts with lower ratings by 5 percentage points per year

Cumulative relative performance (indexed to 100) when buying the top quintile* stocks and selling the bottom quintile stocks (Jan 2013 - Dec 2018, quarterly rebalancing)



Source: BofA Merrill Lynch US Equity & Quant Strategy, Thinknum

*top quintile includes stocks in the top 20th percentile based on Glassdoor ratings; bottom quintile includes stocks in the bottom 20th percentile based on Glassdoor ratings

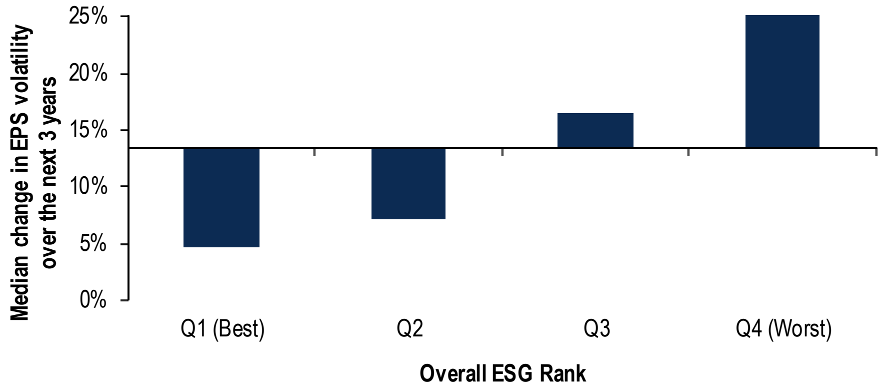
Back tested performance is hypothetical in nature and reflects application of the screen and is not intended to be indicative of future performance

5. The best signal of earnings risk we have found

Traditional financial metrics, such as earnings quality, leverage and profitability, don't come close to ESG as a signal of future earnings volatility or bottom line risk.

Chart 5: Best signal of future earnings risk: worse ESG ranks signaled more earnings deterioration

Median change in 3-yr EPS volatility over subsequent five years based on Refinitiv Overall ESG score from 12/2005-12/2015 (with volatility through 12/2018)



Source: Refinitiv, BofA Merrill Lynch US Equity & Quant Strategy

Q1 (Best) includes stocks within the top 20th percentile based on overall Refinitiv ESG scores; Q4 (Worst) includes stocks within the bottom 20th percentile based on the overall Refinitiv ESG scores

6. ESG could have helped avoid 90% of bankruptcies

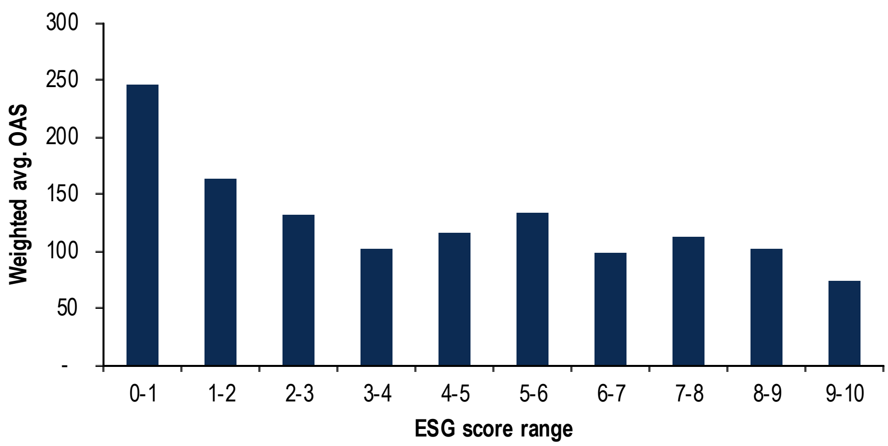
15 out of 17 (90%) bankruptcies in the S&P 500 between 2005 and 2015 were of companies with poor Environmental and Social scores five years prior to the bankruptcies.

7. "Good" companies enjoy a lower cost of capital

Just like consumers have credit scores, companies pay different rates depending on their risk profiles. The cost of debt for "good" versus "bad" companies based on MSCI ESG scores can be nearly 2 full percentage points lower.

Chart 6: Companies with higher ESG scores tend to enjoy lower cost of capital

Weighted average option-adjusted spread (OAS) vs. MSCI overall ESG scores as of 8/2019



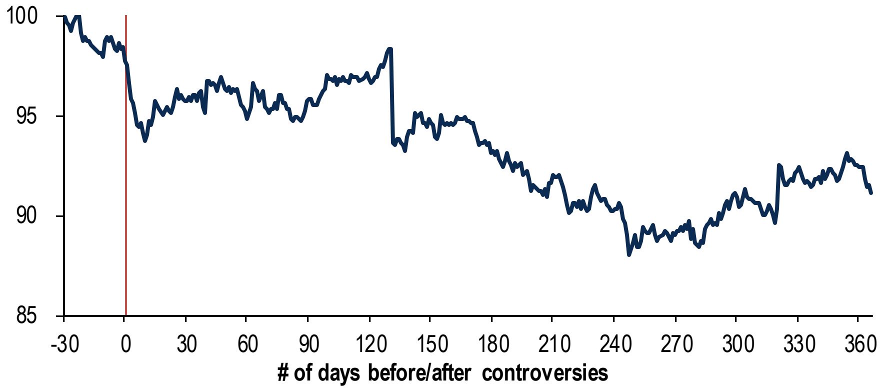
Source: MSCI ESG Research LLC, BofA Merrill Lynch US Equity & Quant Strategy

8. ESG "controversies" have cost investors a lot

We analyzed the performance of 24 major controversies among S&P 500 companies since 2014. Our analysis shows that those controversies were accompanied by peak-to-trough market capitalization losses of $534B, against a backdrop in which the S&P 500 grew by 7% on average.

Chart 7: More than $500bn of market value has been lost due to ESG controversies*

Average peak-to-trough performance of ESG controversy stocks relative to the S&P 500 (market cap weighted, 30 days prior to through 360 days post controversy)



Source: BofA Merrill Lynch US Equity & Quant Strategy

*includes 24 controversies related to data breaches, accounting scandals, sexual harassment and other ESG topics.

9. Climate change is top-of-mind for investors

Climate change is the #1 ESG issue for ESG asset managers according to US SIF (The Forum for Sustainable and Responsible Investment), with $3tn of ESG assets considering climate change as part of their investment decisions. According to the CDP (previously Climate Disclosure Project), $970bn worth of assets could be at risk within the next five years, based on estimates provided by 215 companies — some of the largest in the world.

Exhibit 3: Top Specific ESG Criteria for Money Managers 2018

Climate Change/ Carbon	Tobacco	Conflict Risk (Terrorist or Repressive Regimes)	Human Rights	Transparency and Anti-Corruption
$3.00 Trillion	$2.89 Trillion	$2.26 Trillion	$2.22 Trillion	$2.22 Trillion
Percent Increase in Assets Affected since 2016				
110%	432%	47%	171%	206%

Source: US SIF Foundation

10. Actually, you already do care about ESG!

ESG is not new. Is management compensation aligned with shareholders? Is key talent happy or at risk of moving to a competitor? Does lax environmental behavior mean elevated legal risk? Stocks have been bought and sold on ESG concerns for decades. Today's ESG discussions are largely focused on standardizing or codifying these elements, like we have seen for accounting and financial standards.

Disclosures

Important Disclosures

FUNDAMENTAL EQUITY OPINION KEY: Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. *VOLATILITY RISK RATINGS*, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. *INVESTMENT RATINGS* reflect the analyst's assessment of a stock's: (i) absolute total return potential and (ii) attractiveness for investment relative to other stocks within its *Coverage Cluster* (defined below). There are three investment ratings: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster*
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

* Ratings dispersions may vary from time to time where BofA Merrill Lynch Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

***INCOME RATINGS*, indicators of potential cash dividends, are: 7 - same/higher (dividend considered to be secure), 8 - same/lower (dividend not considered to be secure) and 9 - pays no cash dividend.** *Coverage Cluster* is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector, region or other classification(s). A stock's coverage cluster is included in the most recent BofA Merrill Lynch report referencing the stock.

Due to the nature of strategic analysis, the issuers or securities recommended or discussed in this report are not continuously followed. Accordingly, investors must regard this report as providing stand-alone analysis and should not expect continuing analysis or additional reports relating to such issuers and/or securities.
Due to the nature of quantitative analysis, the issuers or securities recommended or discussed in this report are not continuously followed. Accordingly, investors must regard this report as providing stand-alone analysis and should not expect continuing analysis or additional reports relating to such issuers and/or securities.
BofA Merrill Lynch Research Personnel (including the analyst(s) responsible for this report) receive compensation based upon, among other factors, the overall profitability of Bank of America Corporation, including profits derived from investment banking. The analyst(s) responsible for this report may also receive compensation based upon, among other factors, the overall profitability of the Bank's sales and trading businesses relating to the class of securities or financial instruments for which such analyst is responsible.

Other Important Disclosures

Prices are indicative and for information purposes only. Except as otherwise stated in the report, for the purpose of any recommendation in relation to: (i) an equity security, the price referenced is the publicly traded price of the security as of close of business on the day prior to the date of the report or, if the report is published during intraday trading, the price referenced is indicative of the traded price as of the date and time of the report; or (ii) a debt security (including equity preferred and CDS), prices are indicative as of the date and time of the report and are from various sources including Bank of America Merrill Lynch trading desks.
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.

This report may refer to fixed income securities that may not be offered or sold in one or more states or jurisdictions. Readers of this report are advised that any discussion, recommendation or other mention of such securities is not a solicitation or offer to transact in such securities. Investors should contact their BofA Merrill Lynch representative or Merrill Lynch Global Wealth Management financial advisor for information relating to fixed income securities.
Recipients who are not institutional investors or market professionals should seek the advice of their independent financial advisor before considering information in this report in connection with any investment decision, or for a necessary explanation of its contents.
Officers of BofAS or one or more of its affiliates (other than research analysts) may have a financial interest in securities of the issuer(s) or in related investments.
BofA Merrill Lynch Global Research policies relating to conflicts of interest are described at https://rsch.baml.com/coi
"BofA Merrill Lynch" includes BofA Securities, Inc. ("BofAS"), Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") and its affiliates. Investors should contact their BofA Merrill Lynch representative or Merrill Lynch Global Wealth Management financial advisor if they have questions concerning this report or concerning the appropriateness of any investment idea described herein for such investor. "BofA Merrill Lynch" and "Merrill Lynch" are each global brands for BofA Merrill Lynch Global Research.
Information relating to Non-US affiliates of BofA Merrill Lynch and Distribution of Affiliate Research Reports:
BofAS and/or MLPF&S or may in the future distribute, information of the following non-US affiliates in the US (short name: legal name, regulator): Merrill Lynch (South Africa): Merrill Lynch South Africa (Pty) Ltd., regulated by The Financial Service Board; MLI (UK): Merrill Lynch International, regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA); BofASE (France): BofA Securities Europe SA is authorized by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and regulated by the ACPR and the Autorité des Marchés Financiers (AMF); BAMLI DAC (Milan): Bank of America Merrill Lynch International DAC, Milan Branch, regulated by the Bank of Italy, the European Central Bank (ECB) and the Central Bank of Ireland (CBI); Merrill Lynch (Australia): Merrill Lynch Equities (Australia) Limited, regulated by the Australian Securities and Investments Commission; Merrill Lynch (Hong Kong): Merrill Lynch (Asia Pacific) Limited, regulated by the Hong Kong Securities and Futures Commission (HKSFC); Merrill Lynch (Singapore): Merrill Lynch (Singapore) Pte Ltd, regulated by the Monetary Authority of Singapore (MAS); Merrill Lynch (Canada): Merrill Lynch Canada Inc, regulated by the Investment Industry Regulatory Organization of Canada; Merrill Lynch (Mexico): Merrill Lynch Mexico, SA de CV, Casa de Bolsa, regulated by the Comisión Nacional Bancaria y de Valores; Merrill Lynch (Argentina): Merrill Lynch Argentina SA, regulated by Comisión Nacional de Valores; Merrill Lynch (Japan): Merrill Lynch Japan Securities Co., Ltd., regulated by the Financial Services Agency; Merrill Lynch (Seoul): Merrill Lynch International, LLC Seoul Branch, regulated by the Financial Supervisory Service; Merrill Lynch (Taiwan): Merrill Lynch Securities (Taiwan) Ltd., regulated by the Securities and Futures Bureau; DSP Merrill Lynch (India): DSP Merrill Lynch Limited, regulated by the Securities and Exchange Board of India; Merrill Lynch (Indonesia): PT Merrill Lynch Sekuritas Indonesia, regulated by Otoritas Jasa Keuangan (OJK); Merrill Lynch (Israel): Merrill Lynch Israel Limited, regulated by Israel Securities Authority; Merrill Lynch (Russia): OOO Merrill Lynch Securities, Moscow, regulated by the Central Bank of the Russian Federation; Merrill Lynch (DIFC): Merrill Lynch International (DIFC Branch), regulated by the Dubai Financial Services Authority (DFSA); Merrill Lynch (Spain): Merrill Lynch Capital Markets Espana, S.A.S.V., regulated by Comisión Nacional del Mercado De Valores; Merrill Lynch (Brazil): Bank of America Merrill Lynch Banco Multiplo S.A., regulated by Comissão de Valores Mobiliários; Merrill Lynch KSA Company: Merrill Lynch Kingdom of Saudi Arabia Company, regulated by the Capital Market Authority.
This information: has been approved for publication and is distributed in the United Kingdom (UK) to professional clients and eligible counterparties (as each is defined in the rules of the FCA and the PRA) by MLI (UK), which is authorized by the PRA and regulated by the FCA and the PRA - details about the extent of our regulation by the FCA and PRA are available from us on request; has been approved for publication and is distributed in the European Economic Area (EEA) by BofASE (France), which is authorized by the ACPR and regulated by the ACPR and the AMF; has been considered and distributed in Japan by Merrill Lynch (Japan), a registered securities dealer under the Financial Instruments and Exchange Act in Japan, or its permitted affiliates; is issued and distributed in Hong Kong by Merrill Lynch (Hong Kong) which is regulated by HKSFC; is issued and distributed in Taiwan by Merrill Lynch (Taiwan); is issued and distributed in India by DSP Merrill Lynch (India); and is issued and distributed in Singapore to institutional investors and/or accredited investors (each as defined under the Financial Advisers Regulations) by Merrill Lynch (Singapore) (Company Registration No 198602883D). Merrill Lynch (Singapore) is regulated by MAS. Bank of America N.A., Australian Branch (ARBN 064 874 531), AFS License 412901 (BANA Australia) and Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795), AFS License 235132 (MLEA) distribute this information in Australia only to 'Wholesale' clients as defined by s.761G of the Corporations Act 2001. With the exception of BANA Australia, neither MLEA nor any of its affiliates involved in preparing this information is an Authorised Deposit-Taking Institution under the Banking Act 1959 nor regulated by the Australian Prudential Regulation Authority. No approval is required for publication or distribution of this information in Brazil and its

local distribution is by Merrill Lynch (Brazil) in accordance with applicable regulations. Merrill Lynch (DIFC) is authorized and regulated by the DFSA. Information prepared and issued by Merrill Lynch (DIFC) is done so in accordance with the requirements of the DFSA conduct of business rules. Bank of America Merrill Lynch International DAC, Frankfurt Branch (BAMLI DAC (Frankfurt)) distributes this information in Germany and is regulated by BaFin, the ECB and the CBI. BofA Merrill Lynch entities, including BAMLI DAC and BofASE (France), may outsource/delegate the marketing and/or provision of certain research services or aspects of research services to other branches or members of the BofA Merrill Lynch group. You may be contacted by a different BofA Merrill Lynch entity acting for and on behalf of your service provider where permitted by applicable law. This does not change your service provider. Please use this link http://www.bankofamerica.com/emaildisclaimer for further information.

This information has been prepared and issued by BofAS and/or one or more of its non-US affiliates. The author(s) of this information may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so. BofAS and/or MLPF&S is the distributor of this information in the US and accepts full responsibility for information distributed to BofAS and/or MLPF&S clients in the US by its non-US affiliates. Any US person receiving this information and wishing to effect any transaction in any security discussed herein should do so through BofAS and/or MLPF&S and not such foreign affiliates. Hong Kong recipients of this information should contact Merrill Lynch (Asia Pacific) Limited in respect of any matters relating to dealing in securities or provision of specific advice on securities or any other matters arising from, or in connection with, this information. Singapore recipients of this information should contact Merrill Lynch (Singapore) Pte Ltd in respect of any matters arising from, or in connection with, this information.

General Investment Related Disclosures:

Taiwan Readers: Neither the information nor any opinion expressed herein constitutes an offer or a solicitation of an offer to transact in any securities or other financial instrument. No part of this report may be used or reproduced or quoted in any manner whatsoever in Taiwan by the press or any other person without the express written consent of BofA Merrill Lynch.

This document provides general information only, and has been prepared for, and is intended for general distribution to, BofA Merrill Lynch clients. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other financial instrument or any derivative related to such securities or instruments (e.g., options, futures, warrants, and contracts for differences). This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of, and is not directed to, any specific person(s). This document and its content do not constitute, and should not be considered to constitute, investment advice for purposes of ERISA, the US tax code, the Investment Advisers Act or otherwise. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on this document.

Securities and other financial instruments referred to herein, or recommended, offered or sold by BofA Merrill Lynch, are not insured by the Federal Deposit Insurance Corporation and are not deposits or other obligations of any insured depository institution (including, Bank of America, N.A.). Investments in general and, derivatives, in particular, involve numerous risks, including, among others, market risk, counterparty default risk and liquidity risk. No security, financial instrument or derivative is suitable for all investors. In some cases, securities and other financial instruments may be difficult to value or sell and reliable information about the value or risks related to the security or financial instrument may be difficult to obtain. Investors should note that income from such securities and other financial instruments, if any, may fluctuate and that price or value of such securities and instruments may rise or fall and, in some cases, investors may lose their entire principal investment. Past performance is not necessarily a guide to future performance. Levels and basis for taxation may change.

This report may contain a short-term trading idea or recommendation, which highlights a specific near-term catalyst or event impacting the issuer or the market that is anticipated to have a short-term price impact on the equity securities of the issuer. Short-term trading ideas and recommendations are different from and do not affect a stock's fundamental equity rating, which reflects both a longer term total return expectation and attractiveness for investment relative to other stocks within its Coverage Cluster. Short-term trading ideas and recommendations may be more or less positive than a stock's fundamental equity rating.

BofA Merrill Lynch is aware that the implementation of the ideas expressed in this report may depend upon an investor's ability to "short" securities or other financial instruments and that such action may be limited by regulations prohibiting or restricting "shortselling" in many jurisdictions. Investors are urged to seek advice regarding the applicability of such regulations prior to executing any short idea contained in this report.

Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned herein. Investors in such securities and instruments, including ADRs, effectively assume currency risk.

UK Readers: The protections provided by the U.K. regulatory regime, including the Financial Services Scheme, do not apply in general to business coordinated by BofA Merrill Lynch entities located outside of the United Kingdom.

BofAS or one of its affiliates is a regular issuer of traded financial instruments linked to securities that may have been recommended in this report. BofAS or one of its affiliates may, at any time, hold a trading position (long or short) in the securities and financial instruments discussed in this report.

BofA Merrill Lynch, through business units other than BofA Merrill Lynch Global Research, may have issued and may in the future issue trading ideas or recommendations that are inconsistent with, and reach different conclusions from, the information presented herein. Such ideas or recommendations may reflect different time frames, assumptions, views and analytical methods of the persons who prepared them, and BofA Merrill Lynch is under no obligation to ensure that such other trading ideas or recommendations are brought to the attention of any recipient of this information.

In the event that the recipient received this information pursuant to a contract between the recipient and BofAS for the provision of research services for a separate fee, and in connection therewith BofAS may be deemed to be acting as an investment adviser, such status relates, if at all, solely to the person with whom BofAS has contracted directly and does not extend beyond the delivery of this report (unless otherwise agreed specifically in writing by BofAS If such recipient uses the services of BofAS in connection with the sale or purchase of a security referred to herein, BofAS may act as principal for its own account or as agent for another person. BofAS is and continues to act solely as a broker-dealer in connection with the execution of any transactions, including transactions in any securities referred to herein.

Copyright and General Information:

Materials prepared by BofA Merrill Lynch Global Research personnel are based on public information. Facts and views presented in this material have not been reviewed by, and may not reflect information known to, professionals in other business areas of BofA Merrill Lynch, including investment banking personnel. BofA Merrill Lynch has established information barriers between BofA Merrill Lynch Global Research and certain business groups. As a result, BofA Merrill Lynch does not disclose certain client relationships with, or compensation received from, such issuers. To the extent this material discusses any legal proceeding or issues, it has not been prepared as nor is it intended to express any legal conclusion, opinion or advice. Investors should consult their own legal advisers as to issues of law relating to the subject matter of this material. BofA Merrill Lynch Global Research personnel's knowledge of legal proceedings in which any BofA Merrill Lynch entity and/or its directors, officers and employees may be plaintiffs, defendants, co-defendants or co-plaintiffs with or involving issuers mentioned in this material is based on public information. Facts and views presented in this material that relate to any such proceedings have not been reviewed by, discussed with, and may not reflect information known to, professionals in other business areas of BofA Merrill Lynch in connection with the legal proceedings or matters relevant to such proceedings.

This information has been prepared independently of any issuer of securities mentioned herein and not in connection with any proposed offering of securities or as agent of any issuer of any securities. None of BofAS any of its affiliates or their research analysts has any authority whatsoever to make any representation or warranty on behalf of the issuer(s). BofA Merrill Lynch Global Research policy prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer prior to the publication of a research report containing such rating, recommendation or investment thesis.

Any information relating to the tax status of financial instruments discussed herein is not intended to provide tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional.

The information herein (other than disclosure information relating to BofA Merrill Lynch and its affiliates) was obtained from various sources and we do not guarantee its accuracy. This information may contain links to third-party websites. BofA Merrill Lynch is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this information and is not incorporated by reference. The inclusion of a link does not imply any endorsement by or any affiliation with BofA Merrill Lynch. Access to any third-party website is at your own risk, and you should always review the terms and privacy policies at third-party websites before submitting any

personal information to them. BofA Merrill Lynch is not responsible for such terms and privacy policies and expressly disclaims any liability for them.
All opinions, projections and estimates constitute the judgment of the author as of the date of publication and are subject to change without notice. Prices also are subject to change without notice. BofA Merrill Lynch is under no obligation to update this information and BofA Merrill Lynch's ability to publish information on the subject issuer(s) in the future is subject to applicable quiet periods. You should therefore assume that BofA Merrill Lynch will not update any fact, circumstance or opinion contained herein.
Certain outstanding reports or investment opinions relating to securities, financial instruments and/or issuers may no longer be current. Always refer to the most recent research report relating to an issuer prior to making an investment decision.
In some cases, an issuer may be classified as Restricted or may be Under Review or Extended Review. In each case, investors should consider any investment opinion relating to such issuer (or its security and/or financial instruments) to be suspended or withdrawn and should not rely on the analyses and investment opinion(s) pertaining to such issuer (or its securities and/or financial instruments) nor should the analyses or opinion(s) be considered a solicitation of any kind. Sales persons and financial advisors affiliated with BofAS or any of its affiliates may not solicit purchases of securities or financial instruments that are Restricted or Under Review and may only solicit securities under Extended Review in accordance with firm policies.
Neither BofA Merrill Lynch nor any officer or employee of BofA Merrill Lynch accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this information.

Copyrighted material redacted. Author cites:

Flood, Chris. “ESG controversies wipe $500bn off value of US companies” *Financial Times*, December 14, 2019. Accessed January 22, 2020. https://www.ft.com/content/3f1d44d9-094f-4700-989f-616e27c89599