

Form CRS Client Relationship Summary for BofA Securities, Inc.

September 2023

### **Item 1. Introduction**

BofA Securities, Inc. (“BofAS”) is registered with the U.S. Securities and Exchange Commission (“SEC”) as a broker-dealer and is a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). BofA is an institutional broker-dealer and tailors its services to that business segment. BofAS is registered with the SEC as an investment adviser to provide research services to institutional clients that choose to pay for such services with a separate fee.

Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. You can access free and simple tools to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers and investing.

### **Item 2. Relationships and Services**

#### **What investment services and advice can you provide me?**

BofAS is an institutional broker-dealer and undertakes market making, engages in price quoting and order taking, responds to indications of interest, carries out trade execution, engages in other related activities, and may act as a principal or agent depending on the product or service to be provided. Other than with respect to the research services to institutional clients described above, BofAS does not provide investment advisory services. Instead, we provide clearing, custodial, margin lending, securities lending, and brokerage services, including:

- Executing purchases and sales of financial instruments;
- Responding to your requests to trade with us;
- Distributing market information, research and newsletters;
- Providing securities lending solutions and other related services; and
- Serving as placement agent or underwriter in connection with securities offerings.

When we act as principal in a transaction with you, unless otherwise agreed or required by law or regulation, we do not serve as your agent, fiduciary, financial advisor, or in any other similar capacity on your behalf. The capacity in which we act will be defined by the scope, nature, and context of any services that are being provided. When we provide services to you, we are acting as a Broker Dealer and in limited circumstances described above as an Investment Advisor. You are expected to independently handle your investments and you will consult with your legal, financial, regulatory and tax advisors to the extent you deem appropriate in connection with your investments. **We do not provide an on-going monitoring service or monitor your account. As a result, you are expected to monitor your own activity and your own positions.**

We may provide trade ideas, market commentary, our own views, or other information that are intended to generate dialogue with you and are for information purposes only. Unless we have expressly agreed to do so, we do not provide investment advice or make specific recommendations for you to act in connection with our brokerage services. **In the event that we provide you with a recommendation as your broker-dealer, we have to act in your best interest and not put our interest ahead of yours**

Prime brokerage (“PB”) customers are expected to independently handle their investments through their own executing broker dealers, which may be BofAS, affiliated broker dealers or unaffiliated broker dealers or on a self-directed basis with such executing brokers. While there are circumstances in which “retail investors” may be eligible to receive Prime brokerage services from BofAS, such investors’ accounts must qualify as “institutional accounts” under FINRA Rule 4512(c)(3), namely the accounts must be for a person with total assets of at least \$50 million. **We generally do not provide recommendations to PB customers who are “retail investors”. If we provide you with a recommendation as your broker-dealer, we must act in your best interest and not put our interest ahead of yours.** PB customers should consult with their financial, regulatory and tax advisors to the extent they

deem appropriate in connection with their investments. We do not serve as your fiduciary, financial advisor, or in any other similar capacity on your behalf. The capacity in which we act will be defined by the scope, nature, and context of the Services being provided and our relationship with you as more fully described in your Prime Brokerage Account Agreement, Customer Account Agreement or related agreements. We will not monitor your account on an ongoing basis. The investment products that we settle, clear or finance for you may be limited. For example, we do not provide custody or financing services for (i) open-end , (ii) certain low-priced securities (or possibly certain cannabis securities) or (iii) proprietary products. We do not offer services in jurisdictions in which we are not operating. Other broker-dealer firms may offer the same or different types of services. Because we provide services to institutional customers, we impose account minimums, or minimum investment amounts. We consider your capital, assets under management, other financial resources, and your expertise in trading various financial products before offering certain services to you.

Since our clients are principally institutional clients, the range of products we offer to retail investors is more limited than the products offered by our retail broker-dealer affiliate, Merrill Lynch, Pierce, Fenner & Smith Incorporated. Other broker-dealer firms may offer the same or different types of products.

### **Item 3. Fees, Costs, Conflicts, and Standard of Conduct**

#### **What fees will I pay?**

##### **Conversation Starters:**

- Given my financial situation, should I choose a brokerage service? Why or why not?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

You will pay a fee for each transaction (commission, mark-up/markdown or sales charge or other fee). These per transaction fees vary from product to product. The level of the markup or fee may differ for each customer and may differ for the same customer depending on the method or venue used for transaction execution. The markup or fee considers a number of factors that we determine in our sole discretion.

As a retail customer, if you receive research services from us, you cannot pay, and we will not accept, a separate fee for such services. Fees for the provision and delivery of research services to institutional clients are separately negotiated with each client. Fees will be determined and agreed to prior to accepting the Terms and Conditions provided to clients and/or any Memorandum of Understanding and will be reflected in your trade confirmation prepared in accordance with SEC rules.

Our personnel involved in research services arrangements are not compensated based on the sale of securities in connection with providing services for research services.

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time.** Please make sure you understand what fees and costs you are paying. Certain products have built-in fees and expenses described in their product offering material. Please refer to the information presented at the time you execute your transaction and/or any transaction confirmation statements for additional information.

PB fees are negotiated with customers on an individual and independent basis. Please refer to pricing data presented at the time you execute your agreement. Although certain customers are charged transaction-based fees, including fees for options exercises, we do not charge transaction-based fees based on the volume of trading or activity levels in their accounts. For this reason, we do not have an incentive to encourage a retail investor to trade often. Interest, fees and other charges are applied for margin loans, option exercises and assignments, ticket charges (generally for certain Non-US markets) and asset based financing charges for certain less liquid assets which are harder to fund.

**Conversation Starter:**

- How might your conflicts of interest affect me, and how will you address them?
- Help me understand how these fees and costs might affect my investments

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time.** Please make sure you understand what fees and costs you are paying. Please refer to pricing data presented at the time you execute your agreement.

**What are your legal obligations to me when providing recommendations as my broker-dealer? How else does your firm make money and what conflicts of interest do you have?**

We may provide trade ideas, market commentary, our own views, or other information that are intended to generate dialogue with you and are for information purposes only. Unless we have expressly agreed to do so, we *do not* provide investment advice or make specific recommendations for you to act. We also make more from settlement and clearance fees and from financing your positions

If we provide you with a recommendation as your broker-dealer, we must act in your best interest and not put our interest ahead of yours. At the same time, the way BofAS makes money creates certain conflicts with your interests. You should understand and ask us about these conflicts because they can affect the services, we provide you. Below are some examples to help you understand what this means.

If we execute a trade with you through liquidity sourced from another counterparty, we may receive additional compensation on, and fees for, the trade with the other counterparty.

We may also benefit from reduced transaction costs when executing through certain internal or external trading venues. If we have an investment in, or other relationship with, an external venue, we may receive other benefits because of that investment or relationship.

We may affect for you, on a principal basis, transactions that reference certain levels or prices, including market or index closes, or other types of industry market data. In these situations, we may engage in hedging and other trading activity to manage our risk or to facilitate your transaction. Our trading activity may affect the market for the instruments transacted, which may impact the applicable index or benchmark, or the price or value of your instruments. In some cases, we may participate in the process that sets a benchmark, reference rate, or index close in relation to markets in which we participate as principal. You should assume that we generally will have an economic incentive when we trade as principal. We may make profits or incur losses in connection with our trades, and those profits or losses are solely for our account. We may trade as principal prior to or alongside your transaction or potential transaction to mitigate our risk, hedge any exposure resulting from your trade or the trades of others with or for whom we deal, source liquidity, inform the pricing of potential transactions, or facilitate transactions with you or others (including when we are involved in the underwriting, purchase, and/or settlement of securities), among other activities. These activities may affect market prices and the availability of liquidity at levels necessary to execute your order or indication of interest, potentially against your interests.

From time to time, we act as placement agent or underwriter in securities offerings. In doing so, subject to certain exceptions, our actions do not constitute an offer or a solicitation of an offer to transact in any securities or other financial instrument with any natural person.

**How do your financial professionals make money?**

Our financial professionals receive a salary and a discretionary bonus. The total compensation is based on a range of factors including, but not limited to sales or financial performance, achievement of strategic objectives, risk management, the overall performance of the bank, individual lines of businesses and products, and the revenue that BofAS earns from the financial professional's services.

**Item 4. Disciplinary History**

**Do you or your financial professionals have legal or disciplinary history? For what type of conduct?**

Yes, this information is available at: [https://www.investor.gov/CRS\\_](https://www.investor.gov/CRS_) a free and simple search tool to research BofAS and our financial professionals. For additional information, please see our [Form ADV Part 1, Item 11](https://reports.adviserinfo.sec.gov/reports/ADV/283942/PDF/283942.pdf), available at: <https://reports.adviserinfo.sec.gov/reports/ADV/283942/PDF/283942.pdf>, [BofA Research Services Brochure](#), available at:

[https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd\\_iapd\\_Brochure.aspx?BRCHR\\_VRSN\\_ID=625016](https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=625016), and our [BrokerCheck Report](https://brokercheck.finra.org/firm/summary/283942), available at: <https://brokercheck.finra.org/firm/summary/283942>.

**Conversation Starter:**

- As a financial professional, do you have any disciplinary history? For what type of conduct?

**Item 5. Additional Information**

For additional information about our brokerage services or investment advisory services, see <https://business.bofa.com/>; [Letter Regarding Sales and Trading and Information Handling Practices](#), available at [Global Markets Sales and Trading - Information Handling Practices \(bofa.com\)](#), and [BofA Research Services Brochure](#). For additional information, please see our Form ADV Part 2B ("[BofA Research Services Brochure](#)"), available at: [BOFA SECURITIES, INC. - Brokerage/Investment Adviser Firm](#).

We will provide you with additional transaction information through other documents such as trade confirmations, prospectuses, offering materials, account statements, or other disclosures. To request a copy of this relationship summary go to [https://business.bofa.com/content/boaml/en\\_us/article/ID20\\_0550.html](https://business.bofa.com/content/boaml/en_us/article/ID20_0550.html). You can also call the following phone number to request up-to-date information and to request a copy of this relationship summary: 1-877-333-9183.

**Conversation Starter:**

- Who is my primary contact person/sales coverage? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

Please contact your regular BofAS salesperson with any questions

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