

# MERRILL EDGE ADVISORY ACCOUNT PROGRAM

## WRAP FEE PROGRAM BROCHURE

Please retain for your records

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This Brochure provides information about the qualifications and business practices of Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”) and Managed Account Advisors LLC (“MAA”) relating to the Merrill Edge Advisory Account Program (the “Program”). If you have any questions about the contents of this Brochure, please contact us at 800.MERRILL (637.7455).

Please note that the information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Investment adviser registration does not imply a certain level of skill or training. Additional information about MAA and MLPF&S also is available on the SEC’s website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

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**March 22, 2024**

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## ITEM 2. MATERIAL CHANGES

On March 20, 2023, MLPF&S and MAA each filed its last annual update for its Merrill Edge Advisory Account program brochure ("Brochure"). The summary of material changes is designed to make clients aware of information that has changed since the Brochure's last annual update on March 20, 2023 or that may be important to them. It also sets forth changes as well as enhancements made in this annual update as well as those made since the 2023 annual update, which were previously communicated.

### **MATERIAL CHANGES AND ENHANCEMENTS MADE AS PART OF THIS ANNUAL UPDATE**

- We enhanced our disclosures by providing additional information regarding the treatment of cash balances and the nature of the Cash Sweep Program and about the cash allocation of the Strategies for operational and implementation and/or investment purposes. See "Item 4 Treatment of Cash Balances in your Account;" "Item 4 Brokerage, Banking-Related and Custodial Arrangement and Services;" "Item 4 Funding and Operation of Accounts;" "Item 9 Compensation, Conflicts of Interest and Material Relationships—Cash Sweep Program Compensation Received by Us and Our Affiliates;" and "Item 9 Participation or Interest in Client Transactions and Conflicts of Interest."

### **MATERIAL CHANGES AND ENHANCED DISCLOSURES MADE SINCE THE LAST ANNUAL UPDATE**

Set forth below are material changes and enhancements that we made to the Brochure since the last annual update in March 2023:

#### **MAY 19, 2023 BROCHURE UPDATE**

##### ***Material Changes and Enhancements:***

- We updated Item 9 "Additional Information" at the heading "Disciplinary Information" as follows: "On April 3, 2023, the SEC issued an administrative order in which it found that MLPF&S had willfully violated Section 206(2) and (4) of the Advisers Act and Advisers Act Rule 206(4)-7. Specifically, the order found that from May 12, 2016 through June 29, 2020: (1) wrap fee advisory program agreements and ADV brochures contained a material misstatement because, while disclosing that MLPF&S charged a mark-up or mark-down on foreign currency exchanges, the disclosure did not also state that an additional fee referred to as a production credit was also charged and (2) there was a failure to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act in connection with disclosures relating to currency transfers requiring foreign currency exchanges that it processed for its wrap fee clients. MLPF&S, without admitting or denying the findings, consented to the imposition of a cease-and-desist order, censure, payment of disgorgement, prejudgment interest and a civil penalty totaling \$9,694,714."

#### **OCTOBER 27, 2023 BROCHURE UPDATE**

##### ***Material Changes and Enhancements:***

- We updated our disclosure to provide that Merrill and its Affiliates limit the overall aggregate ownership of certain Registered Funds by certain Program Accounts to avoid potential restrictions on the ability of our Affiliates to engage in principal trading and other transactions with those Registered Funds. See "Item 9 Participation or Interest in Client Transactions and Conflicts of Interest—Activity by Merrill, Affiliates and Personnel."

#### **JANUARY 5, 2024 BROCHURE UPDATE**

##### ***Material Changes and Enhancements:***

- We modified our policies to provide that participating Third-Party Firms can reimburse Merrill for the eligible costs of training and educational seminars and meetings for Merrill financial professionals (including Program Advisors) and clients and related to business meals as disclosed in "Item 9 Compensation, Conflicts of Interest and Material Relationships-Third-Party Firm Business Relationships and Support."

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*All capitalized terms used in the Brochure are defined in the body of this Brochure or in the Glossary.*

## Item 4. Services, Fees and Compensation

### ABOUT US AND THE PROGRAM

This Brochure describes the Merrill Edge Advisory Account Program (the "Program"). Both Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") and its Affiliate, Managed Account Advisors LLC ("MAA"), offer investment advisory services under the Program as discussed in this Form ADV brochure ("Brochure"). Both MLPF&S and MAA are registered with the U.S. Securities and Exchange Commission ("SEC") as investment advisers and MLPF&S is registered as a broker dealer. Our parent company, Bank of America Corporation ("BoFA Corp.") through Bank of America, N.A. ("BANA"), BoFA Securities, Inc. ("BoFAS") and other of its Affiliates, provides integrated investment services and is a leading banking institution for consumers, corporations and institutions.

When we use the terms "Merrill," "we," "our" or "us" in this Brochure, we are generally referring to MLPF&S. We also use the terms "Merrill," "we," "our" or "us" to apply to both MLPF&S and MAA for those aspects and services of the Program that MLPF&S and MAA perform jointly. We also indicate where certain services are provided by MAA in its separate capacity.

**Our Services as an Investment Adviser and Relationship with You under the Program.** The Program is designed to help you pursue your investment goals by providing you with investment advice and guidance and access to a select set of investment solutions and our representatives.

For Program services, you will work with our Merrill representatives who have the title or designation "Financial Solutions Advisor" ("FSA") and who are available to you through our call center and at various bank branch locations. In this Brochure, we use the term "Program Advisor" to refer to an FSA. You will receive a disclosure document called the "Form ADV Part 2B—Brochure Supplement," which describes information about Program Advisors and the role and the services they provide, among other things. You will also receive Form ADV Part 2B—Brochure Supplements for other Merrill investment professionals who provide portfolio management services for the investment strategies we offer in your enrollment materials. You will work with a Program Advisor to establish an appropriate target asset allocation for your enrolled Account, to select an aligned investment strategy available in the Program and to receive the other services described in this Brochure ("Services" or "Program Services").

Both Merrill and MAA provide Services under the Program in our capacity as a registered investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). To obtain the Services available through the Program, you must first enter into a written agreement with us (the "Client Agreement" or "Agreement") that expressly acknowledges our investment advisory relationship with you and describes our obligations to you under the Program. The Agreement will cover any Merrill brokerage account that is enrolled in the Program ("Account"). The scope of our investment advisory relationship is defined in the Agreement. Termination of an Account's enrollment in the Program will end that investment advisory fiduciary relationship with respect to that Account and will cause that account to be converted to, and designated as, a Merrill brokerage account. Termination of your Agreement will end the investment advisory fiduciary relationship of any and all Accounts enrolled in the Program and any such accounts will be converted to a brokerage account.

This Brochure describes the advisory services that we provide, the fees you will pay, our role and that of our personnel, our other business activities and financial industry affiliations and the economic and other benefits and arrangements we have that create conflicts of interest in certain situations.

Merrill can help fulfill your wealth management needs in our capacity as an investment adviser, as a broker-dealer, or as both. Investment advisory and brokerage services are separate and distinct and each is governed by different laws and separate contractual arrangements that we may have with you. Our relationship, legal duties and capacities to you under federal securities laws are subject to a number of important differences which are described in our Client Relationship Summary on Form CRS ("Form

CRS") and in our Summary of Programs and Services, both of which are available at [merrilledge.com/relationships](http://merrilledge.com/relationships) or upon request. In addition, these documents provide a summary of the other available investment advisory programs we offer. Certain aspects of these investment advisory programs are similar to the Services available in the Program. Please refer to "Item 4 Ability to Obtain Certain Services Separately and for Different Fees."

**Under the Program, we are a fiduciary to you.** Merrill and MAA each have certain fiduciary obligations to you in providing you the Services under the Program. As a fiduciary, we will act in your best interest and will endeavor to ensure that you are informed about and have access to material facts and information relating to the Program Services. This Brochure is a key element in meeting this disclosure obligation.

The fiduciary standards we aim to follow are established under the Advisers Act and state laws, where applicable. In addition, for Retirement Accounts, we provide these Program services as a "fiduciary" under Section 3(21) of the Employee Retirement Income Security Act of 1974 ("ERISA") and under the Internal Revenue Code of 1986 (the "Code"). For Retirement Accounts subject to ERISA, we provide the relevant Services as an "investment manager" under Section 3(38) of ERISA.

Generally, the Program is designed for clients who are comfortable with the investment choice of a limited set of investment strategies complementary to their investment profile. The Program is generally not for clients who have more complex needs, desire access to a larger offering of investment solutions and strategies or have a preference for frequent in-person interactions with a dedicated advisor. While enrolled in the Program, your Account's assets can be allocated to cash at various amounts for one or more investment and/or operational purposes at the same or different times as described throughout this Brochure. The Program is similar to the MGI with Advisor program, which provides enrolled clients with the ability to work with a Program Advisor through an interactive website. There are certain services and investment strategies that are only available in the MGI with Advisor Program and not the Program.

### ADVICE AND GUIDANCE

**Profiling and Creating a Target Asset Allocation.** A Program Advisor will work with you to establish a recommended target asset allocation described below. To do so, a Program Advisor will gather from you, and/or confirm with you, important financial and personal information that will be used as a basis for our advice and guidance about your Account.

Based on information you provide, your Program Advisor will recommend an allocation of your assets across one or more asset classes (the "Target Asset Allocation") for each of your Accounts, taking into account: your risk tolerance for the Account (*i.e.*, your ability and willingness to incur financial loss for some or all the assets in your Account in exchange for greater potential returns) and (2) the time horizon (determined by how long you expect to invest in order to achieve your investment goal). For an Account with a retirement focus, the time horizon is based on a combination of your stated retirement age and how long you intend to use the assets in your Account after retirement. Any changes to your risk tolerance or time horizon for your Account may lead to a different recommended Target Asset Allocation and potential changes to the strategy for an Account. Your Program Advisor will use your risk tolerance and time horizon, along with other information about you, including your investment objectives, goals, and preferences, to determine the strategies to recommend to you for your Account.

It is your responsibility to ensure that the information you provide to a Program Advisor is complete and accurate and to notify a Program Advisor if any information we have about you is inaccurate or becomes inaccurate. By providing accurate and complete information, a Program Advisor will be better able to make suitable recommendations for you and your assets.

This information helps determine whether this Program is, and continues to be, appropriate in light of your preferences and objectives. Your continued enrollment in the Program indicates your willingness and preferences to

receive ongoing investment advice and guidance with respect to your Account, continued access to investment solutions, ongoing investment monitoring and other fiduciary services under the Program.

**Target Asset Allocation Categories and Monitoring.** In general, the Target Asset Allocation categories, which have associated asset class allocation ranges are: (1) Conservative, (2) Moderately Conservative, (3) Moderate, (4) Moderately Aggressive and (5) Aggressive. A description of each of these categories is in the Glossary under the term “Target Asset Allocation.” There may be additional Target Asset Allocation categories added by us from time to time. Each of these categories have associated asset class allocation ranges. The associated allocation ranges and our method of monitoring activity may change from time to time and without prior notice to you. Our more conservative Target Asset Allocations typically recommend a greater percentage of your assets be allocated to the fixed income and cash asset classes, rather than to the equity asset class. Our more aggressive Target Asset Allocations typically recommend a greater percentage of your assets be allocated to the equity and alternative investment asset classes, rather than to the fixed income and cash asset classes. You should carefully consider the recommended Target Asset Allocation for your Account.

You may choose a Target Asset Allocation that is more conservative than our recommendation by speaking with a Program Advisor. If you would like a more aggressive Target Asset Allocation, you must discuss with a Program Advisor whether certain information that we have about your Account accurately reflects how you want your assets managed, and a Program Advisor may recommend that you adjust your Account risk tolerance and/or time horizon to reflect your preference for a more aggressive Target Asset Allocation.

We will use your Target Asset Allocation, along with certain other information provided by you, to assist in recommending an investment strategy for your Account. The Account will be managed according to the investment strategy that you select. We make available in the Program a select set of investment strategies (the “Strategies”) that are managed by Merrill through its Chief Investment Office (the “CIO”). The Strategies consist of diversified portfolios of exchange-traded funds (“ETFs”), mutual funds and an allocation to cash and/or cash alternatives (referred to as a “cash allocation”) that are designed to meet a particular Target Asset Allocation. The Strategy recommendations provided for each Account are intended to align with the specified Target Asset Allocation for the Account.

The Strategy chosen for your Account and the assets comprising the Strategy in the aggregate should be aligned to the designated Target Asset Allocation for the Account. At times your Account’s actual asset allocation may become misaligned with the Strategy allocation due to market movements or additions and withdrawals of assets from your Account, among other reasons.

**Multi-Account Portfolios.** In our discretion, you will have the flexibility to direct us to manage multiple Accounts, each with a different Strategy, in a single portfolio (“Portfolio”). Your Portfolio assets in the aggregate should be aligned to the applicable Target Asset Allocation for the Portfolio. The Portfolio Target Asset Allocation applies to the assets held in the Portfolio. Because the Target Asset Allocation is determined at the Portfolio level, you should understand that each Account and the Funds held in each particular Account, must be evaluated in the context of the overall Portfolio. The Accounts, Funds and other investment solutions that comprise a Portfolio will not necessarily be consistent with your Portfolio’s designated risk tolerance and/or time horizon if they are evaluated on an Account-level basis. Monitoring activity may change from time to time and without prior notice to you.

**Program Guidelines.** On a periodic basis, we will monitor the assets in each Account to the applicable Target Asset Allocation within certain parameters. Because your Account’s Target Asset Allocation is based on your Account risk tolerance and your Account time horizon, changes to these factors may result in a different recommended Target Asset Allocation

and/or Strategy. In addition, keep in mind that the time horizon for your Account will change (become smaller) as time passes, and the Target Asset Allocation will change over time (except if your Account already has a recommended Target Asset Allocation of Conservative). If there is a prolonged misalignment, we will ask you to take action in order to remain in the Program, including updating your risk tolerance or time horizon, so that the Account meets the Program guidelines. If you decide not to take the requested action, we reserve the right to terminate your Account from the Program, which converts the Account to a brokerage account type.

We have established certain guidelines relating to the management of assets in the Program. The Program guidelines may change at our discretion or may be waived under certain circumstances for certain clients. You will be notified if your investment activity or holdings deviate from these internal guidelines and action may be required to comply with these guidelines.

Our supervision and monitoring do not substitute for your own continued review of your assets and the performance of your investments in your Account. You are responsible for reviewing the Program communications, including performance reports, trade confirmations, periodic account statements that we send to you. If you identify any discrepancies or inaccurate information, you should promptly report them to a Program Advisor.

In most instances it is solely your responsibility to determine whether you follow our recommendations. If you choose to invest your assets in a manner that differs materially from our recommendations, you may assume additional risks that result from your decisions. We may also, at our discretion, terminate an Account if it does not align with the applicable Program guidelines.

**Treatment of Cash Balances in your Account.** While enrolled in the Program and subject to Program guidelines, your Account will have an allocation to cash balances. This allocation can result from our decision to keep a cash balance for various purposes, such as your cash needs, market conditions or as a way to fulfill your cash allocation target. This allocation can also result from the decision of the CIO, as investment manager of the Strategy’s model portfolio selected for your Account, to keep a cash balance for operational and/or investment purposes as part of the Strategy. The cash allocation for the Strategy is based on a number of factors, including the nature of the investment strategy being implemented, the types of investments being purchased for the strategy and the circumstances relating to the trading for those securities, market conditions as well as for trade execution facilitation, meeting operational contingencies and having funds available to pay the monthly fee charged for Program Services without generating trade activity in the Account. In certain circumstances, including periods of volatile or uncertain market conditions, any cash allocation may comprise all or a substantial portion of your Account assets based on, for example, concerns about the market or a decision to pursue a defensive investment strategy.

Your Account’s uninvested cash balance is automatically swept with your consent to a cash sweep option for your Account under the terms of your underlying brokerage account agreement (“Cash Sweep Program”). The available automatic cash sweep options under the Cash Sweep Program vary based on the Merrill account type and other criteria. Not all Merrill account types have the same cash sweep option or can enroll in the Program.

The only automatic cash sweep option currently available for Merrill account types eligible for enrollment in the Program is the Merrill Lynch Bank Deposit Program (“MLBD Program”) and, for retirement accounts, the Retirement Asset Savings Program (“RASAP”). These programs provide for an automatic sweep of cash balances to bank deposits with BANA and other banks affiliated with us (“Bank Affiliates”).

Please refer to your account agreement and related disclosures for additional information regarding the automatic cash sweep options for your type of Account. The [Sweep Program Guide for Merrill Clients](#) provides an overview of the automatic cash sweep options and how they work and a chart of automatic cash sweep options by Merrill account type.



The [current rates and yields](https://www.mymerrill.com) for the cash sweep options are available at [mymerrill.com](https://www.mymerrill.com) and from us or a Program Advisor. Your cash balance and cash alternatives in your Account are subject to the Program Fee.

The CIO has discretion to select a money market mutual fund ("money market fund") or other cash alternative available through the Program for a Strategy's cash allocation.

You can elect to hold any cash balances in an account that is not enrolled in the Program (i.e., a brokerage account or bank account), and avoid the Program Fee, but you will not receive the Program Services with respect to cash held outside a Program Account.

We discuss the treatment of cash balances and other considerations relating to cash in various parts of this Brochure, including: (1) Item 4 at the sections "Brokerage, Banking-Related and Custodial Arrangements and Services—Cash Sweep Program and Other Banking-Related Services," "Program Fee and Other Charges—Determination of how the Program Fee is Charged," "Program Fee and Other Charges—Fees and Expenses Not Covered by the Program Fee," and "Funding and Operation of Accounts—Cash Balances and the Cash Sweep Program" and (2) Item 9 at the sections "Compensation, Conflicts of Interest and Material Relationships—Cash Sweep Program Compensation Received by Us and Our Affiliates" and "Participation or Interest in Client Transactions and Conflicts of Interest—Cash Balances and Cash Sweep Program."

## INVESTMENT STRATEGY SERVICES

**Selecting a Strategy.** After we help you establish a Target Asset Allocation for your Account, a Program Advisor will recommend to you one or more Strategies available in the Program. There may be more than one Strategy that is suitable for your investment needs. Our recommendation will be based on the information you provide and what we believe will meet your investment needs and investment preferences for the management of your assets. The recommendation is limited by the stated and agreed-upon Target Asset Allocation for the Account, the Account Strategy, other applicable factors such as the type of Account you establish and any Account restrictions.

The Strategies used in the Program are designed to obtain exposure to the various asset classes of the Target Asset Allocations. A Strategy is constructed and/or implemented by Merrill in a single Account. The Strategies available in the Program are model portfolios of securities managed by the CIO to achieve one or more investment styles or disciplines. The Strategies are also rebalanced as needed based on CIO recommendations. See "Item 6 Portfolio Manager Selection and Evaluation."

The Strategies consists of ETFs and mutual funds, and cash and/or cash alternatives (referred to as a "cash allocation"). In addition to determining asset class level allocations and rebalancing frequencies, the CIO determines the ETFs and mutual funds for the equity and fixed income asset class exposures. For the cash allocation, CIO determines whether to hold a cash balance or invest in a money market fund or other cash alternatives available for your Account through the Program or a combination of both approaches. If no action is taken by the CIO to select a cash alternative, cash balances will automatically be swept under the Cash Sweep Program.

A Strategy includes a cash allocation for operational and implementation and/or investment purposes as directed by the CIO. The cash allocation will be higher at certain times depending on the nature of the Strategy, the asset allocation, the investment determinations or rebalancing being made and market conditions. In certain circumstances, including periods of volatile or uncertain market conditions, any such cash allocation may comprise all or a substantial portion of your Account assets based on, for example, the CIO's concerns about the market, a decision to pursue a defensive investment strategy or for cash management purposes. For more information, see the section "Funding and Operation of Accounts—Cash Balances and the Cash Sweep Program."

We make available information about each Strategy in a document known as a "Profile." The Profile describes the relevant objectives, styles and risks of the particular Strategy. The Strategy in which your Account is invested will be reflected in the Program Report that we will deliver to you upon enrollment. We may reference the Strategy or use the term "Managed Strategy" as a caption name or reference in the Program Report.

The Strategies we currently offer are with Client Discretion. This means that any change from one Strategy to another Strategy will require your consent, because you retain the Authority to select and implement any changes between Strategies. However, as we describe in detail below in the section "Role of MAA and Investment and Trading Authority for Strategies," we will have full investment discretion and trading authority to implement the Strategy selected.

In certain circumstances, the same or similar investment solution offered in the Program may be offered through other investment advisory programs or services sponsored by Merrill or our Affiliate channels, at a lower or higher than, or same cost as, the investment solution offered in a Strategy in this Program. The services that you receive by investing in such a solution through a different program, may or may not be similar to the services you receive through the Program. You should discuss with a Program Advisor the investment solutions, services and Strategies available to determine which may be most appropriate. Please refer to the section "Ability to Obtain Certain Services Separately and for Different Fees."

**Replacing a Strategy or Fund in a Strategy.** Merrill determines which Strategies are included in the Program and when they will no longer be offered. As a general matter, we make these decisions based on a variety of factors, including client needs, available investment styles, platform capacity, client demand and the outcome of due diligence and evaluations reviews including with the assistance of the CIO. Merrill also has the authority to select the Funds in the Strategies and to change the included Funds without notice to you.

Changes to a previously selected Strategy may be made in the following ways: (1) Merrill may terminate a particular Strategy from the Program for any reason; (2) the CIO may decide to no longer offer the Strategy for any reason, generally with prior notice to Merrill; or (3) you may decide to replace a Strategy for any reason.

Where Merrill decides to discontinue offering a Strategy, close a Strategy to new investments and/or additional contributions from existing clients, or require a particular Strategy held by clients to be replaced, MAA is responsible for implementing our decisions and related actions. In such event, Merrill may:

- Replace the identified Strategy with another Strategy.
- Maintain current positions in the identified Strategy and invest any new contributions and sale or redemption proceeds in a replacement Strategy.
- Maintain in cash any new contributions or sale or redemption proceeds relating to the identified Strategy in cash until a replacement is chosen by us or you direct us to invest in an alternative Strategy selected by you.

If you hold the identified Strategy, we generally will provide you with prior written notice of any discontinuation, closing or replacement event prior to it taking place. We, however, may provide you with notice of such event after we have already taken action. This flexibility to act quickly helps enable us to take action where we believe the replacement and its timing are in clients' best interest. If we determine to replace the identified Strategy, we will endeavor to choose a replacement with an investment style that is consistent with the identified Strategy. This replacement may be subject to higher Fund expenses than you had been paying. If you do not instruct us to the contrary, your continued participation in the Program after such replacement or other action will be your consent to the action. If you do not agree with the replacement Strategy, you can terminate the Account from the Program.

**Registered Fund Prospectus Delivery.** When a fund that is registered under the Investment Company Act (a “Registered Fund”) is purchased for an Account that has selected the Strategy, in light of the discretionary authority you have granted to either Merrill or MAA, either of us are authorized to receive the Registered Fund prospectus in lieu of it being automatically delivered to you. If you would like a copy of the Registered Fund prospectus, you may obtain one by contacting a Program Advisor who will arrange for it to be sent to you free of charge. Notwithstanding the foregoing, Merrill may continue to send the Registered Fund prospectus to you in its sole discretion.

**Role of MAA and Investment and Trading Authority for Strategies.** As described above, MAA has authority to make certain investment and trading decisions including:

- Implementing, as applicable, the model-based recommendations of the CIO, including by investing the initial and any subsequent cash deposited in the Account into the Funds that are recommended as part of the model-based Strategy.
- Processing all contributions, withdrawal requests and Account terminations.
- Periodically rebalancing the Account or making the determination not to engage in rebalancing transactions.
- Implementing your Reasonable Investment Restrictions, if any.
- Implementing your tax-selling instructions, if any.

MAA will arrange for trades to be executed through Merrill or a Merrill Affiliate or through an Unaffiliated Trade Counterparty. In its discretion and subject to legal requirements, it may utilize its Affiliates and third party vendors for investment, trading and administrative support, including in connection with making determinations as to whether restrictions requested by clients are reasonable.

Merrill and MAA are authorized and directed by you to sell promptly any investments you contribute that are not eligible or not acceptable for a Program Service or a Strategy. We will not act as an investment adviser in connection with these transactions.

Certain Strategies have target allocations and are subject to automatic rebalancing on a periodic basis. Others are dynamically managed and are not subject to rebalancing. In its discretion, MAA may decide not to process certain rebalancing transactions. Delays in the processing of any rebalancing activities that MAA undertakes can occur from time to time, based on, among other things, market conditions, illiquid securities or those with limited subscription and redemption schedules, as well as the availability of mutual funds and ETFs.

MAA actively manages your Account’s investments and may rebalance these investments to the Strategy’s allocations at any time. At times rebalancing may be targeted at specific Fund investments. The frequency and parameters MAA uses to rebalance your Account in a selected Strategy may change at any time and may be different from the parameters used in other types of investment strategies or investment advisory programs sponsored by Merrill.

## REASONABLE INVESTMENT RESTRICTIONS

In the Program, you may request through a Program Advisor that we impose certain investment restrictions on the management of your Program assets relating to the purchase of a specific Fund in the Strategy. For a restriction to be acceptable under the Program, it must first be determined to be “reasonable” by us (a “Reasonable Investment Restriction”). Please note that Reasonable Investment Restrictions will not apply to securities that are part of a Fund in the Strategy.

MAA will determine whether a restriction request is reasonable and how to allocate investments based on a Reasonable Investment Restriction. MAA will generally allocate the assets that would have been invested in the security impacted by the Reasonable Investment Restriction in one of the following ways: (1) pro-rata across other investments held in the Account; MESPB 032024

(2) by using one or more replacement securities, which could include ETFs and/or (3) by remaining uninvested in cash.

We reserve the right to modify our practices regarding investment restrictions in our sole discretion at any time without notice. Further, we reserve the right to deem any requested investment restriction to be unreasonable and to not accept the requested investment restriction. If one or more investment restrictions are determined to be unreasonable, the restriction will not be applied and you should consider whether to remain in the Program or consider other more appropriate Strategies in the Program.

If you elect to impose Reasonable Investment Restrictions, you accept any effect such Reasonable Investment Restrictions may have on the investment performance and diversification of the Strategy or your Account. The performance of Accounts with Reasonable Investment Restrictions will differ from and may be lower than the performance of Accounts without such restrictions. In addition, your decision to impose a Reasonable Investment Restriction that alters the allocation of a Strategy or that results in a replacement security may result in exposure to additional (and potentially unforeseeable) risks that are inconsistent with the objective of your investment strategy. In addition, investment restrictions or any other limitations provided by you will not apply to the securities or other interests held in the portfolio of any Fund in your Accounts, even if the Fund provides public disclosure of the holdings within its portfolio; consequently, your ability to restrict investments in the Program will be limited.

If accepted, the Reasonable Investment Restriction will be included in periodic Program communications and will be applied to your Account until (1) you take action to change, withdraw or waive the restriction or (2) we determine that it is no longer a Reasonable Investment Restriction based on factors we deem relevant in our discretion, including for example, the level of the security holding percentage in the Strategy, our ability to implement the restriction in our systems, changes in the security identifier or symbol, corporate action events, or otherwise. You may request to have different investment restrictions applicable to each of your Accounts.

## BROKERAGE, BANKING-RELATED AND CUSTODIAL ARRANGEMENTS AND SERVICES

You are required to maintain a securities (brokerage) account with us through MLPF&S. The primary purpose of the Program is to provide you with ongoing fiduciary investment advice and guidance for your Account and access to the Strategies and ongoing monitoring. The Program Fee you pay covers these Program Services and your payment for the trade execution, clearance and settlement services provided by Merrill and MAA. It also covers custody of assets. Note that certain fees unrelated to investment activity, like fees for banking-related or cash transfer activities, wire transfer fees, foreign currency wire and conversion fees, account service fees, transaction fees and certain transactional costs, are not covered by the Program Fee, including those described as such in the section “Program Fee and Other Charges”. In addition, your securities brokerage account agreement and documents will provide you with information about certain brokerage services and related transaction and account fees for your Merrill account.

**Brokerage Services Generally.** In your Client Agreement, you appoint us to act as your agent and attorney-in-fact with such discretionary power and authority to buy, sell or otherwise effect transactions in securities or other property, in whole or in part and in your name for your Accounts.

You also authorize and direct us to cause all transactions to be effected through MLPF&S or our Affiliates acting as agent, or as permitted by law, as principal. Principal transactions are only effected in accordance with Program guidelines and applicable regulations. In effecting transactions for your assets in the Program, we or our Affiliates will be acting exclusively as a broker-dealer.

Trades will be handled by MLPF&S as broker-dealer and MAA as an investment adviser consistent with their regulatory and best execution obligations. Even in meeting these obligations, it is possible that you may be

able to obtain better prices for transactions, if such trades were executed with other broker-dealers or third parties, including having smaller spreads (the difference between the bid and the offer price) or at more favorable net prices.

We seek to effect transactions correctly, promptly and in the best interests of clients. In the event an error occurs in our handling of client transactions, we seek to identify and correct any errors as promptly as possible without disadvantaging you. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing you. In general, in instances where we are responsible for effecting the transaction, we may: (i) reimburse you for any losses directly resulting from trade errors; (ii) credit to you any profits directly resulting from such trade errors that are corrected after the settlement of the transaction; or (iii) retain for ourselves any profits directly resulting from such trade errors that are corrected prior to the settlement of the transaction.

If we or one of our Affiliates cannot effect a transaction on your behalf, we will effect the transaction through an Unaffiliated Trade Counterparty that is chosen by us at the time. In making that determination, we will take into account various factors, such as the nature and quantity of the securities involved, the markets involved, the reputation and perceived soundness of the firm, the firm's clearance and settlement capabilities and other factors relevant to the selection of a broker-dealer for the execution of client securities transactions. You, and not we, will bear the cost of markups or markdowns that are not covered by the Program Fee and that are payable to Unaffiliated Trade Counterparties (including on fixed-income or over-the-counter transactions in which MLPF&S and its Affiliates act as agent).

We may, but are not required to, aggregate orders for the sale or purchase of securities for your Strategies with orders for the same security for our other clients, proprietary accounts or the accounts of our employees (including a Program Advisor) and/or related persons, without your prior authorization. Where order aggregation is employed, each account in the aggregated transaction will be charged or credited with the average price and, when applicable, its pro-rata share of any fees.

To the extent MLPF&S provides similar investment recommendations or trade orders for a particular Strategy to MAA for implementation, MAA's ability to implement those recommendations may be affected by the liquidity of the security, market volatility, and any price limits that may be imposed by MLPF&S. This may in turn have a negative impact on the performance of a Strategy.

As a broker-dealer, MLPF&S is responsible for compliance with federal margin rules. Accounts in this Program are cash Accounts. With a cash Account, there is a risk that your Account could become restricted for 90 days if securities are sold before payment for their purchase has settled, a practice known as "freeriding." Freeriding is prohibited and could result in an Account being "frozen." This means that while purchases of securities would be permitted, they must be fully paid for on the date of the trade. Imposition of such a freeze could have a negative effect on your ability to attain your investment objectives and may cause your Account to perform differently than other accounts pursuing similar objectives.

Another factor that can increase the risk of a free-riding violation is changing Strategies, which may result in the sale of securities held and the purchase of new securities for your Account. Periodic rebalancing of your investments and changes in investment models used in certain investment strategies also can cause an increase in purchases and sales of securities over a short period of time, which will increase the risk of a freeriding violation. Client requests to withdraw cash from an Account also can cause a transaction to violate the freeriding prohibition.

Certain of your Account assets may be "pledged" or used as collateral, if we consent, in connection with loans obtained through certain Affiliated loan programs (i.e., the Loan Management Account® and Mortgage 100®/Parent Power® mortgage programs) or through unaffiliated loan programs (together, "Lending Programs"). The costs, risks and other features and conditions of a loan under the Lending Programs are more fully described in

the separate lending documentation you receive in connection with any such loan and are not described in this Brochure.

The costs, including interest, associated with a loan through any Affiliated Lending Program are not included in the Program Fee and will result in additional compensation to us, our Affiliates, and our financial advisors. The interest charges on any such margin loan or loan combined with the fees charged for Program Services may exceed the income generated by your pledged Account assets and, as a result, the value of your Account may decrease. There are risks, costs, and conflicts of interests associated with Lending Programs. See "Item 6 Investment Strategies and Risk of Loss—Using your Account as Collateral" and "Item 9 Compensation and Benefits to Merrill—Compensation Approach for Program Advisors," "Item 9 Participation or Interest in Client Transactions and Conflicts of Interest—Participation in Affiliate Lending Programs and Margin."

**Cash Sweep Program and Other Banking-Related Services.** As provided in the relevant brokerage account agreement and documents you executed to open your account, unless you elected the "No Sweep" option, you have consented to having cash held in your account being treated as a cash balance and being automatically "swept" on the day following the cash deposit to the cash sweep option applicable to your underlying brokerage account under the Cash Sweep Program. Unless the cash allocation is invested, either in a cash alternative or in other securities, the cash allocation will be treated as a cash balance in the Program Account subject to the automatic sweep functionality.

**"Bank Deposit" Sweep Option.** Cash balances swept to a bank deposit account of our Bank Affiliates under the Cash Sweep Program will bear a rate of interest that has been established for, and in light of the features of, the Cash Sweep Program. The rate of interest for such deposit accounts will be periodically set and reset by the Bank Affiliates in their discretion. The rate is variable and may change at any time after the account is opened without notice or limit.

Under the MLBD Program and RASP, interest rates are tiered based upon a client's relationship with Merrill. Accounts that enroll in the Program and in other specified Merrill investment advisory programs receive the highest tier rate available under the Cash Sweep Program. Clients with higher total eligible assets may receive a higher yield on their bank deposits associated with their other Merrill accounts provided their accounts are linked for valuation purposes. For rules regarding linking, please review your underlying brokerage account agreement. The interest rate you earn in the bank deposit account affiliated with the Cash Sweep Program will likely be lower than yields on certain money market funds and other cash alternatives.

An Account's cash balance swept to the MLBD Program or RASP through our Bank Affiliates is insured by the Federal Deposit Insurance Corporation ("FDIC"), up to the applicable standard maximum deposit insurance amount. The FDIC limit is generally \$250,000 per depositor, per ownership category, per bank. Deposits maintained in different categories of legal ownership (such as individual accounts, joint accounts or certain retirement accounts) are separately insured by the FDIC, up to applicable insurance limits. FDIC insurance covers both principal and credited interest, up to applicable limits. Any deposits maintained with a Bank Affiliate in the same account ownership category, whether directly, through other Merrill accounts or through any other intermediary, would be aggregated for FDIC insurance limit purposes.

Neither Merrill nor the Bank Affiliates manage or monitor the deposits swept under the MLBD Program or the RASP for FDIC insurance limit purposes. Deposits are not aggregated or limited under the MLBD Program and RASP based on the FDIC limits for the same depositor in the same bank across Merrill accounts. Merrill does not undertake through the Program or the Agreement or the underlying brokerage agreement to provide you notice that cash balances in your Account or Accounts or in any of your brokerage accounts exceeds the FDIC coverage limit for any of our Bank Affiliates. Monitoring FDIC insurance coverage limits is expressly not a Program Service. **Clients are responsible for monitoring the total amount of**



**deposits held at the Bank Affiliates in order to determine the extent of FDIC insurance.**

**If your total cash balances held at our Bank Affiliates in any type of deposit account (whether a direct bank deposit account or a sweep deposit account) and/or in any type of bank product exceed the FDIC coverage limits, the amount deposited that is over the applicable standard maximum deposit insurance amount will not be entitled to FDIC coverage.**

The agreements and disclosures that you received in connection with establishing your underlying Merrill brokerage account and the [Sweep Program Guide for Merrill Clients](#) include additional information about FDIC insurance. A paper copy can be obtained from your Program Advisor. For additional information on FDIC insurance, visit [fdic.gov](http://fdic.gov).

**"No Sweep" Option.** Certain account types have the option for you to select the "No Sweep" option under their underlying brokerage agreement which results in cash being held in the account as a cash balance and not 'swept' to any available sweep option under the Cash Sweep Program. The cash balance will not earn interest or dividends. The cash held in the Account will be covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000 per client, inclusive of \$250,000 for cash. As a registered broker-dealer, Merrill benefits from the possession or use of cash balances, also known as free credit balances in Merrill accounts, subject to restrictions imposed by Rule 15c3-3 under the Securities Exchange Act of 1934.

**Ability to Invest Cash Balances.** The CIO as the Style Manager determines whether to hold a cash balance or invest in a money market fund or other cash alternatives available for your Account through the Program or a combination of both approaches. If no action is taken by the CIO to select a cash alternative, cash balances will automatically be swept under the Cash Sweep Program.

**Conflicts of Interest related to the Cash Sweep Program.** There are conflicts of interest associated with the Cash Sweep Program which are discussed in "Item 9 Compensation, Conflicts of Interest and Material Relationships—Cash Sweep Program Compensation Received by Us and Our Affiliates" and "Item 9 Participation or Interest in Client Transactions and Conflicts of Interest-Cash Balances and Cash Sweep Program."

**Custodial Arrangements.** MLPF&S will act as the custodian for the assets held in the Program. Your assets will be maintained in one or more central asset accounts established at MLPF&S through the applicable securities account. In the Client Agreement, you agreed to open any necessary securities accounts and execute the applicable MLPF&S securities account agreements. If you already have an existing MLPF&S securities account ("existing account") and instruct us to open a similar type of account for the Program ("new account"), the Client Agreement and related documentation for your existing account will apply to your new account.

From time to time, MLPF&S (doing business as Merrill Edge) may offer to clients or potential clients certain promotions or rewards in connection with opening, maintaining or adding assets to an MLPF&S securities account. Such promotions or rewards may include, by way of example, the payment of a cash reward. The promotions may require a client to request to receive or participate in the promotion or reward, and/or require a client to meet various eligibility criteria. While these promotions or rewards may extend to a client's MLPF&S securities account that holds assets in the Program, participation in the Program is not a condition for these promotions or rewards.

Any assets held in the Program must be and remain free from any lien, charge or other encumbrance (other than a lien, charge or other encumbrance in favor of us or our Affiliates), unless we agree otherwise. You must notify us in writing prior to effecting loans secured by securities in the Program (including loans by our Affiliates) (commonly referred to as "collateralizing"). We will not provide advice on or oversee any of your collateral arrangements. Unless we otherwise agree, the terms of the Client Agreement will prevail in the event of any conflict between the terms of the Client Agreement and your collateral arrangements. You must

also disclose to any lender the terms of the Client Agreement. No specific securities in your Account should be held as collateral to secure your loan. There are adverse effects of collateralizing an Account, including, but not limited to, the fact that the lending institution may require additional collateral or liquidation of securities to meet a call, as well as the related tax consequences. You must promptly notify us of any default or similar event under your collateral arrangements as defined in the respective collateral arrangements.

## PROXY VOTING

You have the right to vote proxies for securities held in your Account and you will retain proxy voting authority for your Account. You cannot delegate to us and we do not accept or assume any proxy voting authority for securities held in your Account. Since you retain proxy voting authority, we will promptly send you proxy ballots and related shareholder communications that we receive, as well as any other information intended for distribution to you. You are responsible for taking any actions.

If your Account is an ERISA Plan, you represent that plan documents and applicable law authorize voting authority to be reserved to the trustee(s) either in the discretion of the trustee(s) or pursuant to the discretion of a named fiduciary. If we do not receive voting instructions from you, we will comply with the rules of the SEC and applicable self-regulatory organizations relating to such matters, as required by law.

As a broker dealer, MLPF&S uses a third-party service provider for certain proxy-related functions, including processing and forwarding proxy and other issuer related materials, and receives amounts collected by the vendor for the costs of these services as permitted by applicable securities regulations.

## ACCOUNT PREFERENCES

**General.** You are able to set certain "Account Preferences" for each of your Accounts in the Program, including Frequency of Trade Confirmation Statements; Electronic Delivery of Certain Materials; and Reasonable Investment Restrictions. You should discuss these Account Preferences with a Program Advisor. You may be asked to complete additional documentation.

**Frequency of Trade Confirmation Statements.** You will receive trade-by-trade confirmation for transactions in your Accounts; however, you may elect to receive transaction information on a periodic basis, which will be no less than quarterly. Your initial instruction in the Account Preferences section in your Client Agreement regarding receipt of trade-by-trade confirmations will apply to your applicable Accounts until such instruction is changed. Your election regarding receipt of trade confirmation statements will be reflected in your Program Report.

If you elect to receive trade information on a periodic basis, you understand the following:

- We will send copies of trade-by-trade confirmation information to you, as applicable, and MAA, in accordance with applicable law.
- You will not pay a different fee if you elect to receive periodic confirmation statements. You can rescind this instruction in writing at any time.
- Electing periodic confirmations is not a condition for entering into or continuing to participate in a Strategy or the Program.
- You may request to receive, at no additional cost, trade-by-trade confirmations for transactions effected for your Account for up to one year after we send the last periodic statement reflecting those transactions.
- You may receive interim updates and further details concerning any transaction effected between periodic statements either online (if you're enrolled) or by calling a Program Advisor.

**Delivery of Certain Materials.** When you enroll in the Program, you acknowledge in the Client Agreement that you received certain Program materials such as this Brochure, a Program Advisor's and any other Merrill Brochure Supplements, any Profiles, any applicable Fund materials, and, for

Retirement Accounts, the Retirement Account Addendum. Additional copies may be requested from a Program Advisor at any time and will be provided without charge. For your reference and convenience, we have posted this Brochure and other information at [merrilledge.com/advisory-account-program-brochure](http://merrilledge.com/advisory-account-program-brochure).

Certain of our materials, including this Brochure, are compatible with various types of assistive devices, such as screen readers. Other Program materials have varying degrees of compatibility with different assistive devices. If you experience difficulty in accessing a Program document with an assistive device, please inform a Program Advisor and request that the document be made accessible.

**Electronic Delivery.** You may also separately arrange for the electronic delivery of certain Program materials, including the Brochure, any Account specific documents (and any changes or amendments) as well as other Program notices and materials, by signing up for electronic delivery via our internet website at [merrilledge.com](http://merrilledge.com). If you consent to electronic delivery at that website, you will generally authorize us to deliver Program documents, disclosures and notices to you electronically. Electronic delivery through this process may not be available for all Program related communications, and in that case, we will send paper copies to you. There are separate procedures for enrollment and unenrollment through [merrilledge.com](http://merrilledge.com). You may revoke your consent to electronic delivery of the Program Brochure and receive paper copies of that document by contacting a Program Advisor. From time to time, we may deliver paper copies of documents relating to your Account notwithstanding your Account preference.

## PROGRAM FEE AND OTHER CHARGES

You agree to pay to us a non-negotiable annual asset-based fee ("Program Fee") for the Services provided in the Program under the Client Agreement. The Program Fee is payable monthly in advance and is based upon an annual Program Fee rate of 0.85%. The Program Fee does not include all of the charges that may apply to your Account. Please see the section "Fees and Expenses Not Covered by the Program Fee" in this section for a list of other fees and expenses that you may be charged and are not included in the Program Fee.

The Program Fee rate will be set forth in the fee schedule section of your initial Program Report provided to you upon enrollment. Upon your request, and at no charge, we will provide to you additional detailed information regarding your Program Fee. Please contact a Program Advisor if you would like to receive this more detailed Program Fee information.

You may be eligible for benefits such as Program Fee discounts, rebates or credits under certain promotional programs ("Bank programs") that BANA offers from time to time for its banking product clients who also use the products or services of its Affiliates, including Merrill. In general, you must be a banking client of BANA, elect to participate in these Bank programs, and meet certain eligibility criteria of the Bank programs in order to receive the benefits available to clients of Merrill under these Bank programs. For additional information on these Bank programs, please contact us at 855-488-5249.

**Calculation of Fees.** The Program Fee is calculated monthly as follows:

- For each calendar month, the Program Fee rate that will be applied to your Account will be one twelfth of the annual Program Fee rate. In certain instances and in our discretion, we may waive or reduce your Account's Program Fee for a particular month.

When you enroll a new Account in the Program, an initial Program Fee will be assessed during the week following the date on which you have contributed the required minimum level of assets to the Account for the Strategy selected by you. The initial Program Fee will be calculated and paid to Merrill based on: (1) the value of the assets in your Account as of the earlier to occur of the last business day of the week or the last business day of the month following required funding; and (2) one twelfth of the

annual Program Fee rate applicable to such value and prorated based on the number of days remaining in the month from the date of required funding.

After the initial Program Fee, the Program Fee is typically charged to your Account during the first week of the current calendar month; and the Program Fee will be calculated and paid to Merrill based on: (1) the value of the assets in your Account as of the last business day of the previous calendar month; and (2) one twelfth of the annual Program Fee Rate applicable to such value.

If you or we terminate your Account we will refund to you a pro-rata portion of the Program Fee based on the number of calendar days remaining in the month. The refund, if any, will be applied to your Account typically during the week following Account termination. See the section "Closing an Account and/or Terminating the Client Agreement" for further information.

**Deduction of Program Fees from Your Account.** You have agreed in the Client Agreement as follows:

- Unless otherwise agreed to between you and MLPF&S in writing, the Program Fee (and any other fees payable under the Client Agreement) will be deducted directly from your Account. You may be able to pay the Program Fee from assets held outside of your Program Account. You should contact a Program Advisor for additional information. MLPF&S is authorized to deduct the Program Fee (and any other fees payable) from the assets held in your Account, to the extent permitted by law, if full payment of such fees has not been timely received or, if earlier, at the time the Account is terminated.
- The Program Fee and any other fees for your Account will be payable, unless otherwise indicated, first from the liquidation or withdrawal by MLPF&S of your shares of any money market funds or balances in any money market or bank deposit account(s), as you authorize in the Client Agreement or other document, and second from free credit or cash balances, if any, in your Account.
- You will make timely payment of all amounts due to MLPF&S under the Client Agreement, and any unpaid Program Fees may result in the termination of your Account(s).

To the extent permitted by law, all assets in your Account or otherwise held by MLPF&S or its Affiliates for you will be subject to a lien for the discharge of your obligation to make timely payment to MLPF&S of the Program Fee (and any other fees payable under the Client Agreement), and MLPF&S may sell assets in your Account to satisfy this lien. If free credit or cash balances within the alternate account you have designated for your Program Fees to be deducted from are not available in that alternative account, the Program Fee will be deducted from your Program Account.

**Services Covered by the Program Fee.** The primary purpose of the Program is to provide you with ongoing fiduciary investment advice and guidance for your Account. The Program Fee you pay covers the Program's Services, including investment advisory services described in this Brochure also covers our brokerage services, including clearance and settlement of transactions and custody of assets. The Program Fee covers a range of services, as described above, that are intended to be supplemental and enhance the investment advisory services you receive.

There are certain investments (such as investments in mutual funds) for which you do not incur brokerage commissions or other transaction charges when those securities are purchased through your Program Account. Accordingly, although you may be charged a Program Fee that covers charges for brokerage execution, you should be aware that transactions involving these investments are not subject to separate charges for brokerage execution. However, by purchasing such securities through an Account enrolled in the Program, you will be able to purchase different share classes typically with lower expense ratios than what you would be able to purchase in your brokerage account. The full amount of the Program Fee payable under the Client Agreement will be charged in accordance with its terms, regardless of your use of any of the services offered or of the amount of transactions effected in your Account.

Certain of these services are not available in all types of securities accounts, Strategies and/or the jurisdiction in which you reside. Please speak with a Program Advisor about the availability of these services.

**Determination of how the Program Fee is Charged.** Except as noted, you will be charged the Program Fee on all assets in your Account, including cash and cash alternatives. Generally, all Account values used to determine the Program Fees described above are based on the value of the assets in your Account, as determined by us. In calculating such Account values, we will use a variety of pricing sources, including our Affiliates.

The Program Fee will be applied to any cash and cash alternatives held in your Account. This includes:

- Money market funds and other cash alternatives held as part of the Strategy.
- Cash that is treated as a cash balance which is automatically swept into a cash sweep vehicle in accordance with the Cash Sweep Program for your Account.
- Cash in your Account due to your having chosen the “No Sweep” as provided for in the Merrill brokerage account agreement.

The Program Fee is in addition to other compensation that Merrill and its Affiliates will earn on cash held for investment purposes and cash held as part of a cash asset allocation that is swept to a cash sweep option in accordance with the Cash Sweep Program. For more information about the Cash Sweep Program, including compensation and benefits we and our Affiliates receive, see “Item 4 Funding and Operation of Accounts—Cash Balances and the Cash Sweep Program” and in “Item 9 Participation or Interest in Client Transactions and Conflicts of Interest—Cash Balances and Cash Sweep Program.”

***You will experience negative performance on the cash asset allocation for your Account if the Program Fee charged for your Account is higher than the return you receive on any cash and cash alternatives.***

**Fees and Expenses Not Covered by the Program Fee.** Your Program Fee does not cover the following expenses, charges and costs, some of which are discussed in more detail below:

- Dealer spread charges, mark-ups or mark-downs charged with respect to any principal transaction effected by MLPF&S or our Affiliate or effected by any executing broker-dealer for transactions in which Merrill or its Affiliate acts as agent.
- Underwriting discounts, selling concessions or other transaction charges with respect to any principal transaction effected by MLPF&S or our Affiliate.
- Fees, expenses and charges charged by Funds or by the managers or sponsors of Funds, including fees, expenses and charges of the constituent Funds used in the Strategies.
- Exchange fees, alternative trading system fees, required SEC fees or similar fees charged by third parties, including issuers.
- Transfer taxes.
- Electronic fund, wire and other Account transfer fees, including any fees or markups charged for foreign currency exchange or conversions relating to transfers or wires to or from your Account.
- Any other charges imposed by law or otherwise agreed to with regard to the Account, including those charges payable to Merrill and/or third parties as described in the Brochure.

The Program Fee does not include certain fees and charges relating to transfers and terminations, certain corporate actions and banking-related services like lending, check-writing services, money transfers, wire transfers, foreign currency wire transfers and conversions. Certain of these fees and charges are detailed on the [Merrill Advisory Center Schedule of Miscellaneous Account document and Service Fees](#). Please see the securities account agreement and account enrollment documents relating to brokerage services and related transactions and account fees for your Merrill account.

If you have any questions about any charges or fees applicable to your Account, please consult with your Program Advisor.

When your Account invests in Funds, you generally will purchase shares that have no front-end sales load or contingent deferred sales charge, or for which such loads or charges are waived. However, as a Fund investor, you will bear your proportionate share of such Fund’s fees and expenses including, but not limited to, management fees and performance-based compensation paid to the Fund’s investment managers or their Affiliates, fees payable to the Fund’s professional and other service providers, transaction costs and other operating costs. Any Fund redemption or other fees imposed by a Fund manager as a result of you redeeming the Fund to invest in a particular Program Strategy will be separate from the Program Fee. The Program Fee does not cover or offset any of the fees and expenses that any Fund may incur for transactions occurring within the Fund itself, including commissions and other transaction-related charges incurred by the Fund, even if we effect these transactions for the Fund. Except as otherwise provided for Retirement Accounts, the Program Fee will not be reduced even if MLPF&S or its Affiliate effects transactions for the Funds or otherwise provides services to the Funds for compensation.

## **ABILITY TO OBTAIN CERTAIN SERVICES SEPARATELY AND FOR DIFFERENT FEES**

You should discuss the brokerage and investment advisory services we make available with a Program Advisor to determine which may be most appropriate for you. You may be able to obtain some or all of the types of Services described herein from us without participating in the Program subject to certain restrictions, including the type of account for which you are seeking these types of Services. If you were to do so, your total cost may be lower or higher than the Program Fee.

We offer other investment advisory programs, including:

- Merrill Guided Investing (“MGI”), making available, through an online, self-guided interactive website, a selected list of investment strategies, including certain of those available in this Program, for an annual asset-based fee of 0.45%.
- Merrill Guided Investing with Advisor (“MGI with Advisor”), offering a selected list of investment strategies, including certain of those available in this Program, and access to a Program Advisor for investment advice and guidance and an interactive website for an annual asset-based fee of 0.85%.
- Merrill Lynch Investment Advisory Program (“IAP”), providing investment advice and guidance from a dedicated financial advisor and access to a comprehensive range of investment solutions, including certain of the Strategies available in this Program, for a negotiated annual asset based fee.

There are important differences among this Program and these other programs to keep in mind. We have provided you with materials that help to explain the various platform and programs we offer, including the Form CRS and the “Summary of Programs and Services” at [merrilledge.com/relationships](http://merrilledge.com/relationships). Additional copies of these materials are available from a Program Advisor upon request. You may also be able to obtain some or all of these types of services from other firms, and if they are available, the fees associated with them may be lower or higher than the fees we charge. You should discuss the Services and Strategies we make available with a Program Advisor to determine which may be most appropriate for you. When you compare the Strategies, account types and programs and their relative costs, you should consider various factors, including, but not limited to:

- Your preference for an investment advisory or brokerage relationship.
- Your preference for a discretionary or a non-discretionary relationship.
- Your preference for a fee-based or commission-based relationship.
- Your preference for access to Program Advisors compared to an online-only (digital) relationship.

- Your preference to work with a Program Advisor by utilizing an online interactive website or not.
- Your preference to work with a Program Advisor compared to having a dedicated financial advisor.
- The types of investment vehicles and solutions that are available in each Strategy, Merrill program or service.
- Whether a particular investment solution offered in one Strategy or service is available through another Strategy or Merrill program or service at a lower or higher cost.
- Whether you wish to invest in mutual funds or ETFs, and which mutual funds and ETFs (if any) are available in particular Strategies or programs.
- The frequency and type of client profiling reports, performance reporting and account reviews that are available in each program or service.

With MGI, you may access a number of the Strategies available in the Program through an online self-guided interactive website for a fee that is lower than the Program Fee. With MGI with Advisor, you may access a selected list of investment strategies, including certain of those available in this Program, and access to a Program Advisor for investment advice and guidance and an interactive website for a fee that is the same as the Program.

In the case of IAP, from a service model perspective, you have direct access to advice and guidance from your dedicated financial advisor, whom you have personally selected and chosen to work with to discuss the particular investment strategy and available alternatives. Through IAP, you have access to a much larger set of managed investment strategies and the ability to access investment approaches and investment products and solutions that are unavailable in the Program. IAP offers the same or similar managed strategies as the Strategies available in this Program. The Program only offers access to Strategies constructed by the CIO and not the fuller complement of managed investment strategies available in IAP. Depending on the IAP fee agreed to with a Merrill financial advisor chosen by you, the Strategies, as well as other managed strategies that are similar to those available in the Program, could be available at a higher or lower cost than is charged in this Program.

The services that are available to you from these other investment advisory programs are different from the Services you receive through the Program in a number of important respects, including the range of strategies and solutions and the involvement and the nature of such involvement of a Merrill representative. We have provided you with materials that help to explain the various platforms and programs we offer, including Form CRS and the Summary of Programs and Services available at [merrilledge.com/relationships](http://merrilledge.com/relationships). These documents are available on the Program Website. You should discuss with your Program Advisor the investment solutions, services and Program Advisor access to determine which may be most appropriate for you.

## FUNDING AND OPERATION OF ACCOUNTS

**Opening a Program Account.** The Client Agreement allows you the flexibility to open or enroll into the Program an Account and any subsequent Accounts in the same account ownership capacity with verbal, electronic or written instructions. You may need to sign a separate Client Agreement if you want to open an Account in any other account ownership capacity. Examples of different account ownership capacities include an individual, a joint ownership capacity, a trustee of a trust, a guardian for a minor, a business entity (e.g., corporation, partnership), and a non-IRA retirement plan.

The effective date of the Client Agreement for each of your Accounts will be the date of its acceptance by us and will be set forth in the Program Report. The Client Agreement will not apply to any Account that is not reflected in the applicable Program Report. Any preliminary discussions or recommendations provided to you before we accept the Client Agreement do not constitute investment advice under the Advisers Act and should not be relied on as such.

A Client request to enroll in the Program or to initiate a Strategy change is not considered a market order due to the requirements for enrollment including funding as well as the administrative processing time needed to implement enrollment instructions. We will initiate Program Services for new Accounts after your execution of any required Account documentation, approvals and funding of the Account and expect such enrollment to occur promptly.

**Funding Your Account.** There is typically a short delay between Account inception and initial investment transactions. Until we initiate Program services with respect to a new Account, your assets will be held in a brokerage Account for which you will be solely responsible for making any investment decisions with respect to the assets. During such time, we will not act as an investment adviser with respect to the assets.

You may fund your Account by depositing cash and/or securities acceptable to us. We may determine in our sole discretion that certain assets, including securities or pending orders relating to securities, are ineligible for the Program or otherwise unacceptable. If we determine any contributed asset is not eligible or is unacceptable, the Client Agreement allows us to transfer this asset to a Merrill securities brokerage account or sell the asset as promptly as practicable, including on a principal basis, and charge you a commission for the sale of the asset. We also may request that you take action to transfer the ineligible assets out of an Account. Failure to comply with the request to transfer such assets out of an Account enrolled in the Program may result in that Account's termination from the Program.

As a general matter, we will sell any assets you may have in your Account in order to invest in accordance with the Strategy. If we determine not to sell the particular asset, are unable to sell the asset or if you specifically direct us in writing to not liquidate the asset (before it has been liquidated), we have the right to transfer the asset to a Merrill securities brokerage account or other account. We will not act as a fiduciary or an investment adviser in connection with these sale transactions. You are responsible for all tax liabilities arising from any sale of such ineligible or unacceptable assets.

### Special Note about Funding Your Account with Mutual Fund Shares.

Before contributing mutual fund shares to the Program, you should consider the fact that you may have paid a front-end sales charge or may be obligated to pay a contingent deferred sales charge or redemption fee if the mutual fund shares are redeemed by us in order to invest in the Strategy you have selected. These fees, where applicable, will remain your responsibility and will be in addition to the Program Fee.

Each mutual fund has its own system of mutual fund share classes for certain types of clients and accounts. The Program-eligible mutual fund share classes vary depending on the mutual fund, its roster of share classes and our agreements with the mutual funds. In general, the share classes that are eligible for the Program do not have any sales loads and annual asset-based fees (often referred to as "service fees" or "12b-1 fees"), although there are some mutual funds available in the Program that have such annual asset-based fees due to share class availability.

If you contribute or hold mutual fund shares that we deem to be ineligible for the Program but within a Strategy's holdings, we will either sell them and purchase the share class eligible for the Program or we will exchange them (under the authority provided to us under the Client Agreement, mutual fund prospectus rules and our own policies) into the Program eligible share class as promptly as practicable. We may also require you to remove them from the Account if not in a Strategy's holdings.

We may not elect to exchange particular share classes of a mutual fund if, for example, there is no equivalent class eligible for the Program or if other circumstances exist. Prior to contributing any mutual fund shares to your Account, you should discuss the impact of a sale or exchange of these shares with a Program Advisor. Depending on your Program Fee, by contributing mutual fund shares to your Account in the Program, you could be subject to higher expenses overall once the shares are exchanged into a class we deem to be eligible or if you held them in your brokerage account.



**Contributions and Withdrawals of Assets.** Contributions of cash and securities to your Account may be made at any time. There may be a delay between the date that funds or securities are contributed to an Account and the date that MAA invests such funds (or liquidates contributed securities if applicable). We will not be liable for any lost opportunity profits that may result from a delay in investing or liquidating any contributed funds or securities in order to invest the proceeds into a Strategy.

For withdrawal requests, the liquidation of certain securities will be required. Withdrawal requests will be implemented as promptly as practicable, although implementation of the withdrawal may be delayed in certain instances, such as during periods of extreme market volatility. The following will apply to our handling of a withdrawal request:

- We require at least five business days, prior notice before you withdraw assets from an Account. In certain situations, it may take longer than five business days before you can access your requested funds. MAA's ability to liquidate may be impacted by market conditions and events or pending re-balancing or other actions being taken for the Account.
- Funds must be withdrawn from the Account by you as soon as practicable after settlement date, and if the requested funds are not withdrawn from the Account within five calendar (5) days after settlement, the funds may be subject to reinvestment without notifying to you.
- We reserve the right to terminate any Account that falls below the required minimum asset size as reflected in the applicable Profile.
- We reserve the right to terminate any Account that falls below the required minimum asset size as reflected in the applicable Profile for a Strategy. If your account balance is not sufficient to fully implement the Strategy selected for the Account, we may request additional funds or terminate the Account's enrollment in the Program.
- Your withdrawal request will be handled as promptly as practicable given other activities that may be occurring at the same time in an Account like changes to a Strategy, any rebalancing transactions in process and other activity affecting the Account.
- We also reserve the right to terminate any Account that falls below the required Program minimum as outlined in this Brochure.
- Merrill reserves the right to liquidate, redeem or exchange Funds and other securities that are transferred from an Account to a brokerage account.
- Taxable gains and losses may be realized as a result of your withdrawal instructions.
- Frequent withdrawals from your Account may affect the achievement of investment objectives for the Strategy you selected.

As a broker-dealer, Merrill is responsible for compliance with federal margin rules relating to an Account's trading activity, which may impact available funds for an Account. Please see the section "Brokerage, Banking-Related and Custodial Arrangement and Services—Brokerage Services" for additional information.

**Service Changes or Additions.** You may change or add a Service or add Accounts to your Portfolio, subject to approval by us, by contacting a Program Advisor. We will implement any approved changes that you select as soon as reasonably possible. You will not be able to use Visa® cards or write checks on an Account while it is enrolled in the Program.

**Closing an Account and/or Terminating the Client Agreement.** The Client Agreement may be terminated at any time by either us or you, with verbal or written notice to the other party. The termination of the Client Agreement will terminate all Accounts. You may also terminate any Accounts subject to the Client Agreement by giving us notice of such termination.

Your termination of a particular Account will not automatically terminate any of your other Accounts. Termination of the Client Agreement will not affect or preclude the consummation of any transaction initiated prior to termination. Termination of your Account will be effective following

the completion of processes that may be required to terminate the Account, including any required liquidations. Liquidations or redemptions will generally be effected by the close of the next business day following termination, although the liquidation or redemption process may take longer.

We will not be responsible for market fluctuations in your Account from the time of termination until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner. Factors that affect the orderly and efficient liquidation of an Account include, but are not limited to, size and types of securities, liquidity of the markets and market-makers' abilities. Due to the administrative processing time needed to terminate an Account, termination requests cannot be considered market orders. It could take up to several business days under normal market conditions to process your request.

Upon termination of an Account or the Client Agreement, a pro-rata adjustment to the Program Fees for the remainder of the billing period will be made, which may result in a refund of your Program Fee monthly payment. In addition, your Account will be converted to, and designated as, a brokerage account that will be subject solely to the terms and conditions of the Merrill securities brokerage account agreement. You (or the legal representative of your estate) will then have the sole responsibility for the investment of assets in your Account.

The termination of the employment of a Program Advisor or a change in the role of your Program Advisor who had been assisting you with your Account will not automatically terminate the Client Agreement. In the event that a particular Program Advisor is no longer able to service your Account, we will transfer that Account to a different Program Advisor.

For certain mutual funds, the advisory share class of such funds are not eligible to be held in an account that is not enrolled in the Program. Upon Account termination or termination of the Client Agreement or if you or we move or transfer the Fund shares from your Account to a brokerage account, we will automatically liquidate, redeem or exchange these shares into another appropriate share or unit class in accordance with applicable offering materials and our own policies, without providing prior notice. Additional fees and expenses may apply upon any such liquidation, redemption or exchange.

Brokerage share classes generally will have higher operating expenses than advisory share classes that are eligible for the Program and will charge sales loads and annual asset-based fees, which will be used to compensate Merrill or one of its Affiliates.

**Cash Balances and the Cash Sweep Program.** Some portion of your Account will have a cash allocation. The CIO will determine the cash allocation for the Strategies. The cash allocation can be held in the form of cash balances in your Account or investments in money market funds or other cash alternatives in your Account. At times, your Account will have an allocation to cash balances that will be automatically swept to the cash sweep option applicable to your Account under the Cash Sweep Program because we have made a decision to keep a cash balance for various purposes, such as your cash needs or as a way to fulfill your cash asset allocation target. The CIO determines whether to keep a cash balance for operational and/or investment purposes as part of a Strategy. See "Item 4 Investment Strategy Services."

Unless the CIO directs that your Account's cash allocation be invested in a cash alternative investment, like a money market fund, your Account's cash allocation will be treated as a cash balance in your Account that will be automatically swept to the cash sweep option applicable to your Account under the Cash Sweep Program. Other than for Retirement Accounts, there is also a "No Sweep" option.

We have a conflict of interest regarding the use of bank deposits as a cash sweep option because such use benefits Merrill and benefits our Bank Affiliates. See "Item 9 Compensation, Conflicts of Interest and Material Relationships—Cash Sweep Program Compensation Received by Us and Our Affiliates" and "Item 9 Participation or Interest in Client Transactions and Conflicts of Interest-Cash Balances and Cash Sweep Program."

You can hold cash in a separate brokerage account or in a deposit account at a Bank Affiliate or at other banking institution. This cash will not be subject to the Program Fee and will not receive any Program monitoring and other Program Services. We will not be an investment adviser or fiduciary with respect to such cash.

**Legal Matters and Related Notifications.** We will not advise or act for you with respect to any legal matters for securities held in your Account, including bankruptcies or class actions. In its role as a broker-dealer, MLPF&S will endeavor to send you any documents received with respect to such matters.

**Your Responsibilities for Account Operation and Management.** You must notify a Program Advisor promptly of any material change in financial circumstances, investment objectives, or investment restrictions (if any) that may affect the nature of the investment advice and services provided to Program Accounts. You are responsible for monitoring the total amount of deposits held at any one bank, including at any of our Bank Affiliates, for FDIC insurance limits. There is more detailed information about FDIC insurance and limits in the Sweep Program Guide for Merrill Clients. See “Item 4 Brokerage, Banking-Related and Custodial Arrangement and Services—Cash Sweep Program and Other Banking-Related Services.”

**Tax Matters.** You are responsible for all tax liabilities and tax-return filing obligations arising from the transactions in your Account enrolled in the Program. We do not, and will not, offer tax advice to you and we strongly encourage you to seek the advice of a qualified tax professional in all instances for tax advice. We are not responsible for attempting to obtain any tax credit or similar item or preparing and filing of any legal document on your behalf.

You should be aware that tax consequences may arise when Strategy changes occur such as rebalancing, liquidations and redemptions. Except to the limited extent described in this section, we specifically disclaim any undertaking of tax management of your Account or investments and assume no responsibility for any resulting tax consequences. Additionally, if you direct us by contacting a Program Advisor (or by contacting us by telephone at 888.654.6837) to take certain actions for tax related reasons, there is no assurance that your desired tax effect will be realized.

For example, if you direct us to realize gains in your Accounts, when we resume normal trading activity, such activity could generate new taxable losses or gains, and the same or similar securities may be repurchased. Similarly, if you direct us to realize losses in your Account, when we resume normal trading activity in your Account, such activity could generate new taxable losses or gains. Upon your request to realize losses within an Account, we will attempt to undertake the following: (1) restrict purchases of substantially identical securities in the Account for a minimum of thirty-one calendar days following the sale of securities at a loss in the Account; restrict sales of substantially identical securities in the Account that are currently at a loss for a period of thirty-one calendar days following the purchase of securities in the Account; and (3) at our discretion, engage in strategies to invest the available proceeds for varying time periods in substitute securities, current holdings, and/or alternative securities such as ETFs.

We do not make any guarantee that these actions will be successful in recognizing these losses. We are not providing any tax advice with respect to the effects of these transactions including whether a loss has been recognized under the wash sale rules under the Code. We do not take into account the trading activity in any of your other accounts, including your other Accounts in the Program or any accounts you have with Merrill or its Affiliates or third parties. You should consult your own professional tax advisor regarding the tax consequences of these transactions. You should be aware that as a result of these transactions, a higher than normal cash position may result for a period of time. In addition, this type of transactional activity may adversely affect Account performance and may increase the volatility of its results.

## Item 5. Account Requirements and Types of Clients

### CLIENT ELIGIBILITY

Investors generally eligible to participate in the Program include individuals, trusts, estates, corporations and virtually all other types of business as defined by us. Not all types of investors are eligible for each Strategy.

### PROGRAM MINIMUM

There is a minimum asset requirement of \$20,000 to enroll into the Program. We may waive or alter this minimum at our discretion. The Strategies in the Program each require an initial minimum investment amount as reflected in the applicable Profile. Following enrollment, an Account must maintain a minimum asset amount set by us in our discretion in order for us to provide Program Services. If your Account's assets do not meet this minimum, we may request that you contribute additional funds to your Account. If you decide not to take the requested action, we reserve the right to terminate your Account from the Program, which converts the Account to a brokerage account type. We may change these minimums at any time.

### RETIREMENT ACCOUNTS

For a Retirement Account holding shares of a mutual fund, including a money market mutual fund, the sub-accounting service or distribution fees received by us or our Affiliate from the mutual fund or a fund service provider or its Affiliate, will be credited to the Retirement Account on a periodic basis.

In the future, your Retirement Account may invest in shares of mutual funds which are Related Funds that we may offer from time to time. If a Retirement Account invests in a mutual fund that is a Related Fund, then any advisory fee or other compensation paid to Merrill or our Affiliates that is incurred in connection with the investment in a Related Fund, will be credited to the Retirement Account on a periodic basis, to the extent required by law.

If you contribute to a Retirement Account or hold in a Retirement Account mutual fund shares that we deem to be ineligible for the Program, such shares will be converted into a class of shares of the same mutual fund we deem to be eligible and will then be subject to the Program Fee. The timing of any such conversion is determined by us in our sole discretion. Prior to contributing any mutual fund shares to your Retirement Account, you should discuss the impact of a conversion of these shares with a Program Advisor.

## Item 6. Portfolio Manager Selection and Evaluation

### REVIEW AND SELECTION OF STRATEGIES AND FUNDS AVAILABLE IN THE PROGRAM

**General.** Through the Program, we make available Strategies with various investment styles and corresponding risk levels. As a general matter, we identify the rationale for a particular investment management style based on a variety of factors, including client needs, investment styles available in the marketplace, platform capacity, client demand and the outcome of reviews conducted by or under our auspices, including through the CIO. The CIO is a Merrill business group providing investment solutions, portfolio construction advice and wealth management guidance to Program Advisors and clients, and it is separate from MAA and from the Merrill business group that administers the Program.

**CIO Review Process.** The initial and periodic reviews of Strategies and Funds available in the Program are performed by our product teams through an internal business review. In addition, for the review of Funds, including those to be included in the Strategies constructed by the CIO, we have in

place an investment review conducted by or under the auspices of personnel of the CIO, referred to as the "CIO Review Process." All constituent Funds included in the Strategies are subject to the CIO Review Process.

The CIO Review Process consists of proprietary processes conducted by the CIO and those processes and reviews provided by third-party reviewers that we have engaged for this purpose. The third-party reviewer processes and reviews are generally consistent with the review processes that the CIO deploys but they are not identical. We, through the CIO, have reviewed such third-party reviewers' processes and believe they are reasonable and appropriate in light of the objectives of the Program.

Once we identify a need for a particular investment management style or strategy, a quantitative and qualitative due diligence process is employed, including but not limited to, the organizational structure and stability of the investment manager or Fund manager or sponsor, adherence to investment style, including sustainability or ESG attributes, where relevant, evaluation of risk and volatility, investment professional and strategy resources, investment philosophy and process, portfolio construction, performance, and operating and administrative capability. Based on these factors and using the information collected, the CIO Review Process involves quantitative and qualitative analytical methods, some of which may be subjective. Generally no single factor will be determinative. There is no assurance that the CIO Review Process or our internal reviews will identify the best performing Funds.

Our reviews may involve in-person visits, telephone conference calls, reviews of performance, and updates of certain Fund documents and information. We may also conduct periodic analysis of composite performance to determine whether that performance generally appears to be consistent with that of the Funds. We do not perform audits of Funds to verify past performance information that the Funds provide to us.

For each Strategy, we will periodically evaluate factors related to the Strategy and Fund investments included in the Strategy that we deem appropriate. These reviews may occur as part of the CIO Review Process or otherwise. In addition, for each Fund available at Merrill, including those included in the Strategy, we will periodically evaluate factors related to the Fund investments that we deem appropriate. In addition, we may initiate reviews based on various factors determined by us and the CIO to be appropriate, including the level of assets in a Strategy or Funds in client accounts at Merrill or our Affiliate, the number or percentage of Merrill or Affiliate clients in a Strategy or its included Funds and the asset class involved. If we identify concerns regarding a Strategy or a Fund that we find significant or important, we may choose not to accept any new investments in that Strategy or the Fund.

A drift or variation of the style of management of a particular Strategy or constituent Fund from the stated style does not require a removal from our Program offering. We retain the decision-making authority to add or remove a Fund that may be included in a Strategy, regardless of or in light of the results of any review conducted, including the CIO Review Process.

BofA Global Research publishes research reports and ratings ("Research Ratings") regarding a select group of ETFs and other exchange-traded products (collectively, "ETPs"). Research Ratings on ETPs are intended to assess the potential for outperformance of ETP peers in the same coverage category. The CIO Review Process and conclusions from that process do not rely on or otherwise use the Research Ratings as an input or factor. The CIO, BofA Global Research and other business units of BofA Corp. apply different methodologies in their review of exchange-traded products and may arrive at different or inconsistent conclusions.

Note that Fund managers include as part of their strategies' investment portfolios individual equity and fixed income securities, investment strategies and Funds based on their own review and portfolio management processes and determinations. These individual securities, including Fund securities, may not be covered, and are not required to be subject to, the CIO Review Process.

***Our review of the Strategies and Funds does not substitute for your ongoing monitoring of your Account and the performance of your investments.***

**Strategy Construction.** Through the Program, we, through the CIO, will construct the Strategies and select the Funds and the allocations or allocation ranges for each Strategy. Please refer to the Profile for additional information about the Strategy you select. In general, we develop the Strategies in an effort to strike a balance between current income and growth, unless otherwise noted in the Profile for the particular Strategy.

The CIO selects the constituent mutual funds, money market funds and exchange traded products for the particular Strategy and, when doing so, selects only those subject to the CIO Review Process and those that are considered to have sufficient assets under management and to meet minimum trading volume parameters. In addition, it considers and evaluates their share price or net asset value, along with the corresponding allocation weighting, in light of the Strategy's investment minimum.

The CIO determines the allocations or allocation ranges for the Strategies. It develops the strategic asset allocations for the Strategies based on its long-term expected return, risk and correlation assumptions for each asset class ("capital market assumptions"), its view of the appropriate long term allocation guidelines to follow in light of market conditions, expected trends and, as applicable, corresponding tactical asset allocation adjustments. The tactical asset allocation adjustments are applied to those long-term asset allocations based on the CIO's near-term market, economic, and asset class expectations. These tactical adjustments overweight or underweight specific asset classes, incorporating its investment views on how market dynamics, phases of the economic or business cycle, and particular investment themes may affect the Strategies. In order to determine tactical asset allocations, the CIO utilizes internal as well as third-party research and data at both the macro and micro levels.

Once the Strategies are constructed, the CIO regularly monitors and reviews them and makes adjustments based on asset allocation changes. The Funds used in the Strategies are also periodically reviewed to ensure they continue to meet the criteria for inclusion. The Strategies are also subject to internal governance and oversight processes on a periodic basis, which may include a review of Strategy performance against expectations as well as any applicable investment or regulatory restrictions.

The Program does not currently offer any Related Funds. However, to the extent any Related Funds become available, we may determine to include them in a Strategy. The conflicts of interest and other considerations arising from the use of Strategies constructed, implemented and managed by Merrill or any of its Affiliates or Related Companies are discussed in "Item 9 Compensation, Conflicts of Interest and Material Relationships."

**Information Available Regarding Strategies and Strategy Profiles.** We make available additional guidance to Program Advisors through regular or ad hoc internal publications. This may include information that reflects our internal opinions and views with respect to a Fund, notices of a particular event that may lead to these being closed to new investments or terminated from a Strategy, or other information. You should discuss with a Program Advisor any questions you may have about our views with respect to a particular Strategy or Fund.

You will generally be provided with a Profile for each Strategy made available to you through the Program. You should carefully read the Profile provided and understand the relevant objectives, styles and risks. While the Profile provides general information, any past performance shown on the Profile is not indicative of future results. The Profile will also describe the role of MAA and any related Account requirements with respect to the Strategy. You should review any investment materials available from your Program Advisor about investments in your Account, including any prospectuses and other offering material produced by issuers and sponsors of investment products.

The Profiles for the Strategies include performance information from MAA. We make no claim that the Profile performance information has been calculated according to any industry standards. Please note that any past performance shown on the Profile is not indicative of future results and your investment performance for any Strategy in your Account may differ from the information presented in the Profile for that Strategy. Account performance also may differ for a variety of other reasons, including timing of enrollment in the Program, client-imposed Reasonable Investment Restrictions and Firm restrictions and other considerations. Please note that any past performance shown on the Profile is not indicative of future results and your investment performance for any Strategy in your Account will differ from the information presented in the Profile for that Strategy.

## ADVISORY SERVICES PROVIDED BY MERRILL AND CERTAIN AFFILIATES

Merrill and MAA act as the portfolio manager for your Account as described in "Item 4 Investment Strategy Services." We act as both the wrap fee program sponsor and portfolio manager for the Strategies offered through the Program and receive the Program Fee as described in this Brochure. Merrill receives the entire Program Fee as described in this Brochure. We also act as the portfolio manager in other wrap fee programs sponsored by us. We act as an investment adviser in certain investment advisory programs, such as MGI and MGI with Advisor, which provide investment advisory services that are similar to the Program Services but are not the same. Additional information is available in "Item 4 Ability to Obtain Certain Services Separately and for Different Fees."

In addition, other BofA Corp. Affiliates or divisions, such as Bank of America N.A., offer their own managed products or wrap programs that are similar to this or other Merrill programs. Advice and/or recommendations provided to accounts in these programs will be different from or even conflict with the advice and guidance provided in connection with the Program, and recommendations provided to other of our Affiliates or other programs. This is due to, among other things, the differing nature of such Affiliate's investment advisory and management services and differing processes and criteria upon which determinations are made.

Further, although CIO releases information and analyses about a Fund to all our Affiliates simultaneously and BofAS Global Research may make its research opinions and research reports available regarding securities and research strategies at the same time, it is possible that such Affiliates will act on that information before MLPF&S or MAA has had the chance to evaluate and act on those changes. Accounts participating in a Merrill program that commences trading after those of other Affiliates may be subject to price movements, particularly with large orders or where securities are thinly traded, that would cause them to receive prices that are less favorable than those obtained by Affiliates.

## TAILORED INVESTMENT ADVICE

As described in "Item 4 Advice and Guidance," we will recommend a Target Asset Allocation based on certain information provided by you, and you will be able to select a Strategy for your Account. You also may request that we impose Reasonable Investment Restrictions.

If you have an investment policy statement or other investment guidelines ("IPS"), it is your responsibility to ensure that the IPS is properly reflected in your responses inputted into your discussion with a Program Advisor, including any investment restrictions.

We do not have any responsibility to review, monitor or adhere to any IPS relating to your Account. Adherence to your IPS is solely your responsibility. To the extent the terms of such IPS conflict with a Strategy you select under the Program, by signing the Client Agreement, you have agreed that the terms of such IPS were amended to incorporate by reference such investment or Strategy.

## PERFORMANCE-BASED FEES

The Program does not charge performance-based fees. Certain mutual

funds that may be included in the Strategy you select, however, may be subject to performance-based fees or varying Fund expense charges that are imposed by the Fund's manager, advisor or other party that are based on performance of the Fund.

## METHOD OF ANALYSIS

The implementation and management of any CIO Strategy will be dependent upon the CIO's investment expertise, philosophy and process and will be supplemented by the Program Advisor understanding the Strategies and providing advice and guidance to you. We have made available various resources to the Program Advisor, including: (1) investment guidance and management research and publications from the CIO covering macroeconomic and market events and Strategies and Funds and (2) information and assistance from other Merrill internal specialists and support teams. The use of such guidance and proprietary model portfolios does not assure or guarantee that investment performance will necessarily be profitable or consistent with the proprietary model portfolio.

## VOTING CLIENT SECURITIES

You have the right to vote proxies for securities held in your Account(s) and will retain proxy voting authority for such securities. You cannot delegate to us and we do not accept any proxy voting authority for securities held in your Account.

## INVESTMENT STRATEGIES AND RISK OF LOSS

**General Risks of Investing.** All investments involve risk (the amount of which may vary significantly); investment performance can never be predicted or guaranteed; and the values of your assets will fluctuate due to market conditions and other factors. Investments made, and the actions taken, for your Program assets will be subject to various economic, geopolitical, and market conditions, such as changes in interest rates, availability of credit, inflation rates, global demand for particular products or resources, natural disasters, climate change, economic uncertainty, pandemics and epidemics (e.g. COVID-19), terrorism, social and political discord, debt crises and downgrades, regulatory events, governmental or quasi-governmental actions, changes in laws, and national and international political circumstances risks.

Investments will not necessarily be profitable. You should review the offering materials and other disclosure available for each relevant Strategy and/or Fund to get an appreciation of its associated risks and fees. You are assuming the risks involved with investing in the Strategies and the Funds.

You could lose all or a portion of the amount held in the Program. There is no assurance that the performance results of any benchmark or index used in connection with a Strategy, including those shown in a Profile, can be attained. Market movements and other factors may result in significant differences between the performance of your Account, your Account's Target Asset Allocation and the Strategy selected for your Account. You should review any investment materials available from your Program Advisor about investments in your Account, including any prospectuses and other offering material produced by issuers and sponsors of investment products.

**Effect of Public Health Emergencies.** Public health emergencies, like the recent form of coronavirus (COVID-19), can create adverse impacts on global commercial activity and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The global COVID-19 pandemic resulted in the implementation of quarantines, prohibitions on travel, the closure of offices, businesses, schools, and other public venues, and other restrictive measures. Such measures and the general uncertainty surrounding the dangers and impact of such emergencies, like COVID-19, create significant disruption in supply chains and economic activity and have a particularly adverse impact on a number of industries, including the financial industry and participants. While we have established business continuity and risk management systems, the operations of Merrill and MAA may be materially impacted as a result of public health emergencies of the scale like COVID-19.



**Target Asset Allocation and Monitoring.** Any target asset allocations (including your Target Asset Allocation) or benchmarks, as applicable, referred to in connection with your Strategy, Account or Portfolio are not intended to be an assurance or guarantee of the performance of any investments in the Strategy or the Strategy itself. In addition, you may impose guidelines or restrictions on your Account that may result in your Account being concentrated in one or a few sectors, industries or securities. Concentrated portfolios typically increase the risk and volatility of an Account and may result in a decrease in diversification. We may determine not to accept such guidelines and/or restrictions.

**Using Your Account as Collateral.** You may take action to make your Account assets “pledged” or used as collateral (if we consent) in connection with loans you obtain through certain Affiliated or unaffiliated loan programs, such as, but not limited to, the securities based lending Loan Management Account® and Mortgage 100®/Parent Power® mortgage programs (“Lending Programs”). Risks to your Account may be heightened in the event you pledge your Account or if your pledged Account makes up all, or substantially all, of your overall net worth or investible assets.

The lender has the right to protect its own commercial interests and to take actions that adversely affect the management of your Account and related performance. Regardless of whether the lender is us or an Affiliate or a third-party lender, the lender’s lien is senior to any rights we may have on the assets in the Account. As such, the lender has the right to sell securities in the Account that serve as collateral, if needed. Neither you nor any of us (including our Affiliates), if applicable, may be provided with prior notice of a liquidation of securities or transfer of interests in your pledged Account. Furthermore, neither you nor we are entitled to choose the securities which are to be liquidated or transferred by the lender.

**Use of Strategies Where Merrill Is the Manager.** The Strategies currently available in the Program are those that are constructed, implemented and managed by Merrill (through the CIO). These Strategies are not subject to the same level of review that is applicable to third-party manager strategies that Merrill may offer in its other investment advisory programs. The Strategies in the Program are subject to internal governance processes and any applicable legal restrictions.

**Role of a Program Advisor in the Program.** A Program Advisor’s view of the Strategies will be an important factor in determining which Strategies are recommended to you or purchased for your Account.

**Information and Cyber Security Risks.** With the increased use of technologies to conduct business, like all companies, Merrill, its Affiliates, and our service providers are susceptible to operational, information security, and related risks. In general, information and cyber incidents can result from deliberate attacks or unintentional events and may arise from external or internal sources. Cybersecurity risk represents, among other things, exposure to failures or interruptions of service or breaches of security, including as a result of malicious technological attacks and other unauthorized access to digital systems) for purposes of misappropriating assets or sensitive information; corrupting data, equipment, or systems; or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (making network services unavailable to intended users). Cyber incidents may cause disruptions and affect business operations, potentially resulting in financial losses, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber-incidents affecting issuers of securities, the Funds and Fund managers and sponsors, counterparties, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers), and other parties. We, as well as BofA Corp., manage information security risk and cybersecurity risks in accordance with internal policies that govern our

comprehensive information security program that are designed to protect the firm by enabling preventative, detective and responsive measures to combat information and cybersecurity risks. There can be no assurance that we or our service providers, will not suffer losses relating to cybersecurity attacks or other information security breaches in the future. While we have established business continuity and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plans and systems.

**ESG themed Strategies or Funds.** There is an increasing number of products and services that purport to offer environmental, social, and governance (“ESG”) investment related strategies. The variability and imprecision of industry ESG definitions and terms can create confusion. Fund managers and sponsors have designed their own approach to ESG investing and how they use ESG-related terms for their investment products. You should review the offering materials and Profiles to gain an understanding of how they define and use ESG screens and restrictions in connection with their investment products. Merrill and MAA generally do not undertake a review of these approaches (including, where applicable, any ESG-related investment policy or process followed by the Fund manager) other than as part of the CIO Review Process.

**Mutual Funds and Non-Traditional Funds.** The Strategies you select may invest in shares of, or interests in, Funds. The CIO may determine to invest in shares of or interests in Non-traditional Funds (“NTFs”). NTFs are mutual funds and ETFs registered with the SEC that we classify as “Alternative Investments” as an asset class because their principal investment strategies utilize alternative investment strategies (including short selling, leverage and derivatives as principal investment strategies) or provide for alternative asset exposure as the means to meet their investment objectives. NTFs may not have the same type of non-market returns as other types of Alternative Investments since NTFs have a relatively liquid and accessible structure with daily pricing and liquidity, are subject to a more structured regulatory regime and offer lower initial and subsequent investment minimums.

**ETFs.** The Strategies you select may invest in shares of, or interests in, ETFs. As an ETF shareholder, you, along with other shareholders of the ETF, will bear a proportionate share of the ETF’s expenses, including, as permitted by applicable law, certain management and other fees, which may be payable to us or a Related Company. An ETF’s prospectus contains a description of its fees and expenses. A copy of an ETF’s prospectus is available from your Program Advisor upon your request. When you invest in an ETF, you will indirectly pay a proportionate share of the ETF’s costs for services that may be similar to, or duplicative of, Services rendered as part of the Program and paid for directly through the Program Fees.

Below is a summary of certain risks relating to investing in ETFs that may apply to all or certain types of ETFs offered through the Program. Please refer to the particular ETF prospectus for more information about the risks applicable for a particular ETF. If you would like a copy of a particular ETF prospectus, you may obtain one by contacting a Program Advisor who will arrange for it to be sent to you free of charge.

ETFs are subject to risks relating to market trading that include the potential lack of an active market for ETF shares and disruptions in the creation and redemption process. Although ETF shares are listed on a national securities exchange, it is possible that an active trading market in the shares of a particular ETF may not develop or be maintained, particularly during times of severe market disruption. If ETF shares need to be sold when trading markets are not properly functioning, the ETF shares may be sold at a significant discount to their Net Asset Value (“NAV”). In some cases, it may not be possible to sell ETF shares in the secondary market. For example, an unanticipated closing of the national securities exchange on which an ETF’s shares are listed or one or more markets on which either the ETF’s shares trade or the ETF’s portfolio holdings trade or the inability of such markets to open for trading during normal business hours, such as in response to a natural disaster or other event causing severe market disruption, could result in the inability to buy or sell shares of the ETF and the ETF’s inability to buy and sell exchange-traded portfolio securities

during that period, or in a disruption of the ETF's creation and redemption process, and may make it difficult for the ETF to accurately price its investments, thereby potentially affecting the price at which ETF shares trade in the secondary market. All of these events could adversely affect the performance of the ETF.

Trading in ETF shares also may be halted by an exchange or other markets because of market conditions or other reasons. If a trading halt occurs, an investor may temporarily be unable to purchase or sell shares of the ETF. Similarly, an exchange or other markets may issue trading halts on specific securities or derivatives, which will affect the ability of the ETF to buy or sell certain securities or derivatives. In such circumstances, the ETF may be unable to rebalance its portfolio or accurately price its investments and may incur substantial trading losses.

ETF shares also may trade on an exchange or on other markets at prices below their NAV. The NAV of ETF shares will fluctuate with changes in the market value of the ETF's holdings and the exchange-traded prices of the ETF's shares may not reflect these market values.

Only an authorized participant may engage in creation or redemption transactions directly with an ETF. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to an ETF and no other authorized participant is able to step forward to create or redeem, ETF shares may trade at a discount to NAV and possibly face delisting. This risk is exacerbated if an ETF has a limited number of institutions that serve as authorized participants. Certain ETFs may effect creations and redemptions for cash, rather than in-kind.

As a result, an investment in such an ETF may be less tax-efficient than an investment in a more conventional ETF. ETFs generally are able to make in-kind redemptions and avoid being taxed on gains on the distributed portfolio securities at the ETF level. An ETF that effects redemptions for cash, rather than in-kind distributions, may be required to sell portfolio securities in order to obtain the cash needed to distribute redemption proceeds. If the ETF recognizes gains on these sales, this generally will cause the ETF to recognize gains it might not otherwise have recognized, or to recognize such gains sooner than would otherwise be required if it were to distribute portfolio securities in-kind. ETFs generally intend to distribute these gains to shareholders to avoid being taxed on the gain at the ETF level and otherwise comply with the special tax rules that apply to it. This strategy may cause shareholders to be subject to tax on gains they would not otherwise be subject to, or at an earlier date than, if they had made an investment in a different ETF. Moreover, cash transactions may have to be carried out over several days if the securities market is relatively illiquid and may involve considerable brokerage fees and taxes.

These brokerage fees and taxes, which will be higher than if the ETF sold and redeemed its shares principally in-kind, will be passed on to purchasers and redeemers of creation units in the form of creation and redemption transaction fees. In addition, cash transactions may result in wider bid-ask spreads in shares trading in the secondary market as compared to ETFs that transact exclusively in-kind. ETFs that seek to track the performance of a specified underlying index ("Index ETFs") are not actively managed and the investment advisers of such ETFs do not attempt to take defensive positions in declining markets. Therefore, Index ETFs may be subject to greater losses in a declining market than a fund that is actively managed. A number of factors may affect an Index ETF's ability to achieve a high degree of correlation with its underlying index, and there can be no guarantee that an ETF will achieve a high degree of correlation with its underlying index either on a single trading day or for a longer time period. Factors such as ETF expenses, imperfect correlation between the ETF's investments and the components of the underlying index, rounding of share prices, changes to the composition of the underlying index, regulatory policies, a high portfolio turnover rate, and the use of leverage all contribute to tracking error and correlation risk. Failure to achieve a high degree of correlation may prevent an ETF from achieving its investment objective and cause the ETF's performance to be less than you expect.

Among other services provided, we or our Related Companies may effect transactions for any of the ETFs offered through the Program, and any compensation paid to us or our Related Companies by the ETF, or its Affiliates, is in addition to the Program Fee. Due to the additional economic benefit to us or our Related Companies when assets in your Account are invested in an ETF that pays compensation to us or our Related Companies, a conflict of interest exists. We attempt to address this conflict by selecting ETFs based on the investment merits of the particular investment products and not based on the compensation that we and our Related Companies earn and through the disclosure in this Brochure.

## Item 7. Client Information Provided to Portfolio Managers

As part of the enrollment process, we elicit information about your financial circumstances, investment objectives, risk tolerance and other relevant information relating to your Accounts and Portfolios. We do not generally provide this information to Funds.

In managing your Portfolio, we rely on information you provide and it is your responsibility to notify promptly your Program Advisor of any updates to such information. In the Agreement, you represent to us that you have provided us and will provide us with information that is accurate and complete. Failure to do so could affect the suitability of the services being provided under the Program. We are not required to verify the accuracy of the information.

## Item 8. Client Contact with Portfolio Managers

MAA has agreed to make one or more of its advisory or investment personnel reasonably available for consultation with Program Advisors and with you by request.

## Item 9. Additional Information

### DISCIPLINARY INFORMATION

The following is a summary of certain adverse legal and disciplinary events and regulatory settlements that may be material to your decision of whether to retain us for your investment advisory needs. You can find additional information regarding these settlements in Part 1 of Merrill Lynch's Form ADV at: [adviserinfo.sec.gov](https://adviserinfo.sec.gov).

On April 3, 2023, the SEC issued an administrative order in which it found that MLPF&S had willfully violated Section 206(2) and (4) of the Advisers Act and Advisers Act Rule 206(4)-7. Specifically, the order found that from May 12, 2016 through June 29, 2020: (1) wrap fee advisory program agreements and ADV brochures contained a material misstatement because, while disclosing that MLPF&S charged a markup or markdown on foreign currency exchanges, the disclosure did not also state that an additional fee referred to as a production credit was also charged and (2) there was a failure to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act in connection with disclosures relating to currency transfers requiring foreign currency exchanges that it processed for its wrap fee clients. MLPF&S, without admitting or denying the findings, consented to the imposition of a cease-and-desist order, censure, payment of disgorgement, prejudgment interest and a civil penalty totaling \$9,694,714.

On April 17, 2020, the SEC issued an administrative order in which it found that MLPF&S had willfully violated Section 206(2) of the Advisers Act. Specifically, the order found that from January 1, 2014 to May 31, 2018, it failed to disclose in its Form ADV or otherwise the conflicts of interest

related to (1) its receipt of 12b-1 fees and/or (2) its selection of mutual fund share classes that pay such fees. During this period, MLPF&S received 12b-1 fees for advising clients to invest in or hold such mutual fund share classes. In determining to accept the offer of settlement, the SEC considered that MLPF&S self-reported to the SEC pursuant to the SEC's Share Class Selection Disclosure Initiative and had completed a number of the undertakings in the order prior to issuing the order. In the order, MLPF&S was censured and ordered to cease and desist from committing or causing any violations and any future violations of Section 206(2) of the Advisers Act. It was also ordered to make disgorgement payments of \$297,394 and prejudgment interest payments of \$27,982 to affected investors.

On August 20, 2018, the SEC announced that MLPF&S, without admitting or denying the findings, entered into a settlement related to willful violations of Sections 206(2) and 206(4) of the Advisers Act and Advisers Act Rule 206(4)-7. Specifically, the SEC's administrative order found: (1) a failure to disclose that the portfolio manager process employed in connection with a January 2013 termination recommendation was exposed to a conflict of interest (less than one-seventh (1/7) of 1% of total advisory accounts (approximately 1,500) were invested in the products subject to the termination recommendation); and (2) a failure to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act. In determining the appropriate sanctions, the SEC considered Merrill Lynch's remedial acts promptly undertaken and cooperation afforded the SEC staff. Merrill Lynch consented to the imposition of a cease-and-desist order, a censure, and disgorgement and a financial penalty totaling approximately \$8.8 million.

On June 16, 2014, MLPF&S, without admitting or denying the findings, entered into a FINRA settlement relating to its failure to have an adequate supervisory system to ensure that certain clients received sales charge waivers for purchases of certain mutual funds' Class A shares, which affected certain retirement accounts and certain clients with a particular type of brokerage account. This settlement resulted from MLPF&S self-identifying certain of these issues. MLPF&S consented to the imposition of a censure and a fine of \$8 million and agreed to provide additional reimbursement to the agreed upon impacted clients. It has reimbursed all such impacted clients.

## OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Merrill, an indirect wholly-owned subsidiary of BofA Corp., is a leading global wealth management firm and a registered broker-dealer and investment adviser. In the United States, Merrill acts as a broker (i.e., agent) for its corporate, institutional and private clients. Through its own arrangements and through BofAS, it has access to a dealer market in the purchase and sale of corporate securities, primarily equity and debt securities traded on exchanges or in the over-the-counter markets. We also act as a broker and/or a dealer in the purchase and sale of mutual funds, money market instruments, government securities, high-yield bonds, municipal securities, financial futures contracts, and options. Merrill operates the firm's U.S. retail branch system, and also provides financing to clients, including margin lending and other extensions of credit as well as a wide variety of financial services, such as securities clearing, retirement services, and custodial services.

MAA, an indirect wholly-owned subsidiary of BofA Corp., is a registered investment adviser that provides investment advisory services to clients that establish accounts under the Program and other investment advisory programs, including IAP, MGI and MGI with Advisor. As registered investment advisers, MLPF&S and MAA complete Form ADVs, which they publicly file with the SEC (available at [adviserinfo.sec.gov](http://adviserinfo.sec.gov)). For purposes of Form ADV Part 2, certain MLPF&S and/or MAA management persons are registered as registered representatives or associated persons of Merrill Lynch. In the future, certain MLPF&S and/or MAA personnel may be considered management persons and, as such, may be registered, or have applications pending to register, as registered representatives and associated persons

of Merrill Lynch to the extent necessary or appropriate to perform their job responsibilities.

BofA Corp., through its subsidiaries and Affiliates, provides broker-dealer, investment banking, financing, wealth management, advisory, asset management, insurance, lending and related products and services on a global basis. These products and services include (1) securities brokerage, trading and underwriting; (2) investment banking, strategic advisory services (including mergers and acquisitions) and other corporate finance activities; (3) wealth management products and services including financial, retirement and generational planning; asset management and investment advisory and related record-keeping services; (4) origination, brokerage, dealer and related activities in swaps, options, forwards, exchange-traded futures, other derivatives, commodities and foreign exchange products; (5) securities clearance, settlement financing services and prime brokerage; (6) private equity and other principal investing activities; (7) proprietary trading of securities, derivatives and loans; (8) banking, trust and lending services, including deposit-taking, consumer and commercial lending, including mortgage loans, and related services; (9) insurance and annuities sales; and (10) research across the following disciplines: global equity strategy and economics, global fixed-income and equity-linked research, global fundamental equity research, and global wealth management strategy.

BofA Corp. is subject to the reporting requirements of the Exchange Act and additional information about BofA Corp. can be found in publicly available filings with the SEC.

## CONFLICTS OF INTEREST AND INFORMATION WALLS

Merrill, MAA and their parent company, BofA Corp., engage in a wide range of activities and businesses across a broad spectrum of clients. As a result, we recognize that actual, potential and perceived conflicts of interest develop in the normal course of operations in various parts of the BofA Corp. organization. To address these conflicts, information walls are in place which are designed to allow multiple businesses to engage with the same or related clients at the same time while mitigating any conflicts arising from such a situation. For example, information walls are designed to prevent the unauthorized disclosure of material nonpublic information and allow public side sales, trading and research activities to continue while other businesses within BofA Corp. possess material nonpublic information. Additionally, BofA Corp. maintains a Code of Conduct which provides guidelines for the business practices and personal conduct all associates and board members are expected to adopt and uphold.

***Managing conflicts of interest is an integral part of BofA Corp.'s risk management process. We believe that no organization can totally eliminate conflicts that exist explicitly or implicitly. Each of BofA Corp., BofAS, MLPF&S and MAA evaluates its business activities and the actual and possible conflicts that may emerge from its activities on an ongoing basis. To the extent that existing or new business activities raise an actual conflict of interest, or even the appearance of a conflict, we endeavor to provide you with full and clear disclosure or to take action to avoid or manage the conflict.***

## CODE OF ETHICS

Each of MLPF&S and MAA has adopted an Investment Adviser Code of Ethics (the "Code of Ethics") covering our personnel who are involved in the operation and offering of investment advisory services under the various investment advisory programs for which they are a registered investment adviser. Each Code of Ethics is based on the principle that clients' interests come first, and it is intended to assist employees in meeting the high standards that each of MLPF&S and MAA follows in conducting our business with integrity and professionalism. Each Code of Ethics covers such topics as the requirement that all employees comply with all applicable securities and related laws and regulations; the reporting and/or clearance of employee personal trading; the prevention of misuse of material nonpublic information and the obligation to report possible violation of the Code of Ethics to management or other appropriate personnel. All covered personnel must certify to receipt of the Code of Ethics. The Merrill Investment Adviser Code



of Ethics is available at [mymerill.com/ADV/materials](http://mymerill.com/ADV/materials) or we will provide a copy of each of the Code of Ethics to you upon request.

MLPF&S and MAA have each imposed policy restrictions on all personnel for transactions for their own accounts and accounts over which they have control or a beneficial interest. In addition, we have special policies requiring that certain personnel obtain specific approval of securities transactions and have implemented procedures for monitoring these transactions, as well as those of all our employees.

MLPF&S and MAA each acknowledge that it is: (1) subject to fiduciary responsibilities under the Advisers Act when it provides the investment advisory services pursuant to the Client Agreement; and (2) a fiduciary, as defined by ERISA, for a client that is an ERISA Plan, with respect to the investment advice it provides such plan.

## COMPENSATION, CONFLICTS OF INTEREST AND MATERIAL RELATIONSHIPS

**Compensation and Benefits to Merrill; Compensation Approach for Program Advisors.** Merrill earns revenue from the Program Fee you pay, as well as from other fees and payments you may make and that we receive from our Affiliates and third parties related to transactions in your Account. We (including our Affiliates), the Program Advisors whom you interact with and other of our employees benefit from the fees and charges paid by you and other clients for the Services described in this Brochure. In addition, we earn revenue from the referrals to our Affiliates (including referring to an Affiliate for banking products or services). Merrill may also receive revenue from third parties depending on the investment products in which you invest, which is not part of a Program Advisor's compensation. In general, as Merrill revenue increases, the Program Advisor's compensation will be positively impacted.

The amount of revenue we receive varies depending on the type of investment advisory program, service or product you select. These differences create a conflict of interest in that there is a potential financial incentive for a Program Advisor to recommend or select certain investment advisory programs, services or products based on the revenues to Merrill. The amount of revenue we receive from your enrollment in the Program may also be more or less than the revenues that would be received if you had instead participated in other of our investment advisory programs or if you had engaged in the investment activities in a brokerage account. If there are higher revenues to us, a Program Advisor has a financial incentive to recommend certain investment strategies to you or recommend this Program over other programs or other services offered by us or our Affiliates. The more assets there are in your Account, the more you will pay in fees, creating a financial incentive to recommend that you increase the assets in your Account.

We, through our Program Advisors, may suggest or recommend that you use our brokerage account, trade execution and custody or other services for your investment activity, use the services of an Affiliate. and/or purchase our products or our Affiliates' products. When you engage in brokerage activities and/or use or purchase Merrill's or our Affiliate's services or products in a brokerage account, you pay commissions, mark-ups or mark-downs, up-front sales charges and other sales charges or fees (collectively, "Sales Charges") that compensate us and/or our Affiliates for the services provided to you in connection with transactions. A portion of the Sales Charges we receive is directly or indirectly used to pay compensation to our financial advisors including Program Advisors. Opening a brokerage account and engaging in transactions generates Sales Charges that result in revenues to us and compensation and/or benefit to our financial advisors. Note, as described below, Program Advisors are not compensated based on transaction-based revenues. The more trades that you make in your brokerage account, the more we get paid, creating a financial incentive to recommend transactions in your brokerage account.

Program Advisors receive compensation from MLPF&S in the form of a base salary and certain incentive awards related to the amount invested in the Program and in other advisory accounts. Having Accounts enrolled

in the Program helps Program Advisors meet certain performance goals. However, Program Advisors do not receive transaction-based compensation nor do they receive a portion of the Program Fee as compensation. Program Advisors are eligible to participate in incentive and recognition programs that are based on meeting certain performance and service goals and such other criteria as MLPF&S may establish from time to time.

We address these conflicts from compensation described in this section and throughout the Brochure in a variety of ways, including, disclosure of various conflicts in this Brochure. Moreover, our Program Advisors are required to recommend investment advisory programs, investment products and securities that are suitable for, and in the best interest of, each client based upon the client's investment objectives, risk tolerance and financial situation and needs and considering cost. In addition, we have established a variety of restrictions, procedures and disclosures designed to address actual and potential conflicts of interest – both those arising between and among Accounts as well as between Accounts and our business.

### Compensation Associated with Rollovers of Retirement Assets.

Program Advisors who recommend rolling over assets from an employer-sponsored retirement plan (such as a 401(k) plan) or from a retirement account at another firm into an Individual Retirement Account (IRA) or other similar account (a "Rollover") and enrolling that account into the Program receive compensation or benefit based on the amount of funds transferred. There is a financial incentive for a Program Advisor to recommend a Rollover because the enrollment into the Program will generate revenue to Merrill and benefit the Program Advisor. While Program Advisors who recommend a Rollover do not necessarily receive compensation based on the amount of funds transferred, they have financial incentive to recommend a Rollover because the subsequent or related enrollment into the Program will increase the number of accounts serviced by the Program Advisor and help them achieve certain performance goals.

**Field Management and Merrill Management Compensation.** Elements of our field management compensation are based on revenues to Merrill and based on the Program Advisors whom they manage meeting performance and service goals and such other criteria as MLPF&S may establish from time to time. Management personnel and other employees of Merrill, MAA and their Affiliates receive incentive compensation based on a number of factors including the profitability of Merrill and BofA Corp. Merrill's and BofA Corp.'s profitability is impacted by a number of factors including the growth of the business, management of expenses, the amount of Bank Affiliate cash sweep assets and the rate that is paid on those assets. We have a conflict of interest as a result of the management compensation approach that we follow. There is an incentive for our field management team to encourage Program Advisors to meet their performance and service goals that can result in more revenue to Merrill. There is a financial incentive for management to structure the scope and approach of the compensation award program to result in revenue for Merrill and BofA Corp. We maintain policies and procedures and supervisory and review processes, including governance approval requirements, that are designed to review and mitigate any financial incentive or conflict to favor any one security type or investment product or service. We also provide disclosures of these conflicts in the Brochure and other client documents.

**Account and Program Choice.** Merrill can help fulfill your wealth management needs in our capacity as an investment adviser, as a broker-dealer, or as both. Clients have the ability to enroll accounts in the Program holding some or all of their investment assets and to have brokerage accounts for some or all of their assets. The various programs we offer and ways to interact with Merrill are outlined in our Form CRS, this Brochure and in our Summary of Programs and Services.

Investment advisory and brokerage services are separate and distinct and each is governed by different laws and separate contractual arrangements that we may have with you. There are differences among the programs and account relationships. You may be able to obtain the same or similar Services or types of investments you obtain in the Program through a brokerage account or other investment advisory programs and services



offered by Merrill. These may be available at lower or higher fees than, or the same as, the Program Fee you pay. You may also be able to obtain some or all Services from other firms and at fees that may be lower or higher than the Program Fee we charge. A recommendation of the type of account relationship creates a conflict of interest for us. The amount of revenue we receive depends on the type of account and relationship you choose.

In a brokerage account, you will pay per trade Sales Charges to purchase and sell securities. In a brokerage account, the amount of revenues we receive depends on the level of trading activity in the Account, the applicable Sales Charges as well as other indirect compensation. Your brokerage account agreement and documents will provide you with information about certain brokerage services and related transaction and account fees for your Merrill account.

In the Program, you will pay the Program Fee, an asset-based fee for Program Service as required under the Program. The Program Services include ongoing fiduciary investment advice and guidance for your Portfolio, access to investment strategies and ongoing monitoring as described in this Brochure, as well as the services of trade execution, clearance and settlement of transactions and custody of assets. See "Program Fee and Other Charges". In the Program, the amount of compensation paid to us and to your Program Advisor depends on the level of assets in your Account and the Program Fee Rate as well as certain indirect compensation outlined in this Brochure.

Certain of the managed investment strategies are available to you outside of the Program for more or less than you would pay in the Program. When you compare the account types and investment advisory programs and their relative costs with what is available in the Program, you should consider the various factors outlined in the section "Ability to Obtain Certain Services Separately and for Different Fees". Certain of these factors relate to your preferences regarding the relationship, whether you are seeking ongoing monitoring services provided for in the Program, how you want to pay for investment services, the Program Fee, the level of service and the managed investment solutions you are interested in investing in. We offer the investment advisory programs that offer certain of the Strategies that are the same as or similar to those available in the Program. You may obtain these Strategies for a lower cost than you pay in the Program, but you will receive different services from the Services you receive through the Program, including working on a self-guided basis with no advice from a Program Advisor.

A recommendation of the type of account relationship creates a conflict of interest for us and a Program Advisor. We address these conflicts through the disclosure in this Brochure and the Agreement and by providing clients with upfront information about our available programs. In addition, we have certain internal requirements, guidelines, policies and procedures that review for whether a particular program selection is appropriate for the client and to address actual or perceived conflicts of interest. Moreover, our Program Advisors are required to recommend investment advisory programs, investment securities and services that are suitable for, and in the best interest of, each client based upon the client's investment objectives, preferences, risk tolerance, financial situation and needs and considering cost.

**Variable Compensation by Product and Service.** The indirect compensation we receive from the sale of an investment product or security, varies based on the investment product type and the investment product itself. Depending on the type of security or investment product, third-party product providers, including Fund managers or sponsors, asset managers and insurance companies, make payments to us as compensation for various services and support and these payments also vary depending on the type of security or investment product. While Program Advisors under the Program do not receive such indirect compensation, the variable nature of third-party payments creates a conflict of interest because we may earn greater compensation from the sale of one type of investment product over another. For additional information, please review the "Compensation Received by Us for Sub-accounting Services," "Mutual Fund Arrangements

and Compensation," and "Other Compensation Received by Us and Our Affiliates" in this section below.

Certain of these securities and investment products provide access to similar investment strategies. For example, certain indexed mutual funds may offer an investment approach that is substantially similar to that provided by certain ETFs and there may be an actively managed ETF that provides a substantially similar investment approach to that provided by a mutual fund. However, these are different types of securities and have different product features associated with them, as well as different fees.

The variable nature of third-party payments creates a conflict of interest because we are incentivized to recommend products for which we earn greater compensation rather than other alternatives. In addition, we receive certain payments from mutual fund providers when a mutual fund is used to provide exposure to the investment strategy, like sub-accounting fees. Not all securities and investment products make payments to us or our Affiliates.

We address this conflict through the disclosure in this Brochure and by the CIO selecting investment products and Funds based on the investment merits of the particular investment products and not based on the compensation we receive in providing certain services or under certain arrangements with third-party product providers. We also determine the compensation paid to our Program Advisors on the same basis for all Program assets without regard to the amount of compensation we or our Affiliates receive. Program Advisors do not have an incentive to recommend certain Strategies over others because they do not receive additional compensation as a result of these types of arrangements. In addition, we select investment products and solutions that are available and offered through the Program as well as in our brokerage accounts and other investment advisory programs based on qualitative and quantitative evaluation of such factors as performance, risk management policies and procedures and on the consistency of the execution of their strategy.

**Offering of Investments or Programs Managed by Us or Our Affiliates and Use of a Related Strategy in Your Account.** We reserve the right to have Merrill, a Merrill Affiliate or a Related Company construct (or provide investment management and advisory services for) a Strategy and charge a separate manager fee. We do not currently offer any Related Funds. We may, however, include Related Funds as an investment product available in the Program in the future. If a Strategy that charges a separate manager fee or a Related Fund is offered as an eligible investment in the Program, we would benefit from our economic interest in such Strategy or Related Fund. A conflict of interest exists when we or your Program Advisor selects or assists you in the selection of, as applicable, a Related Strategy. We address this conflict through disclosure in this Brochure. Our Program Advisors do not have an incentive to recommend certain Strategies over others because they do not receive additional compensation as a result of these types of arrangements.

Our Affiliates and related business divisions, such as BANA, offer their own managed products or wrap programs that are similar to this or other Merrill programs. Advice and/or recommendations provided to accounts in these programs will be different from, or even conflict with, the advice and guidance provided in connection with the Program, including as to recommendations and review determinations. This is due to, among other things, the differing nature of our Affiliate's investment advisory services and differing processes and criteria upon which determinations are made.

Further, although the CIO releases information and analyses about a Strategy or a Fund to all our Affiliates simultaneously and BofA Global Research may make its research opinions and research reports available regarding securities and research strategies at the same time, it is possible that such Affiliates will act on that information before Merrill or MAA have had the chance to evaluate and act on those changes.

Accounts participating in a Merrill program that commences trading after those of other Affiliates may be subject to price movements, particularly with large orders or where securities are thinly traded, that would cause them to receive prices that are less favorable than those obtained by our

Affiliates.

**Compensation Received by Us for Sub-accounting Services.** We only make available as part of a Strategy those mutual funds and money market funds (each, a “fund”) and share classes of funds that pay us to provide the required associated sub-accounting and other services. These sub-accounting and other services include aggregating and processing purchases, redemptions, exchanges, dividend reinvestment, consolidated account statements, tax reporting and other related processing and recordkeeping, services (together, “sub-accounting services”). Under agreements with each of these funds (or their respective principal underwriter or other agent), we provide daily sub-accounting services to the holders of these funds maintaining shares in an Account as well as in other Merrill securities accounts and receives the agreed upon sub-accounting services fee. This cost is either borne by the fund (like other fund expenses) as part of its operating costs or by its adviser, principal underwriter or other agent.

These service arrangements and the amount of the compensation vary by fund types, fund and by share class. These fees and fee rates are subject to change from time to time and may be received individually or as part of a “bundled” arrangement that includes other types of fees, such as administration and distribution payments. Due to applicable regulation, we do not retain compensation for sub-accounting services for funds held in Retirement Accounts.

For U.S. mutual funds, depending on the specific arrangements, the sub-accounting services fees are paid from or on behalf of the mutual fund. These fees are either an asset-based fee of up to 0.10% per annum or up to \$16 annually per client position in the mutual fund. For U.S. money market mutual funds, the sub-accounting services asset-based fee is generally 0.005% per annum.

We have a conflict of interest in selecting certain fund products (or share classes) for inclusion as part of our product offering available to you. Certain mutual funds or share classes that would otherwise meet our criteria for inclusion as part of our product menu but whose principal underwriters, agents or sponsors do not agree to pay the sub-accounting services fees that we charge will not be selected, thereby limiting the available universe of funds (and share classes) available to you. In addition, the amount of the sub-accounting services fees for these services varies among funds and, in certain instances, between share classes of individual funds. This results in a conflict of interest because it creates an incentive for us to recommend that you invest in funds and share classes that pay higher fees. We will receive higher sub-accounting fee payments from fund families that have higher fund assets held in our clients’ accounts because the service fee calculation is based off of the level of the asset holdings. Additionally, there is a benefit to us because the aggregate amount of the sub-accounting fees exceeds the costs to provide these services. We address these conflicts of interest in the following ways. We disclose the nature of our sub-accounting service arrangements. We also determine the compensation paid to our Program Advisors on the same basis for all Program assets without regard to the amount of compensation we or our Affiliates receive. Program Advisors do not have an incentive to recommend certain funds over others because they do not receive additional compensation as a result of these types of arrangements. In addition, we and our Affiliates select funds that are available on our investment advisory platform and offered through the Program as well as in our brokerage offering based primarily on the CIO Review Process and business reviews.

**Mutual Fund Arrangements and Compensation.** For the mutual funds that are part of a Strategy, your assets are generally invested in the lowest cost share class eligible for the Program. The Program-eligible mutual fund share classes vary depending on the mutual fund, its roster of share classes and our agreements with the funds. In general, the share classes that are eligible for the Program do not have annual asset-based fees like Rule 12b-1 fees, although there are some mutual funds available in the Program that have such fees due to legacy positions that are pending conversion to an

eligible share class.

Certain mutual funds offer a fund share class that does not include a sub-accounting services fee. Accordingly, you should not assume that you will be invested in the share class with the lowest possible expense ratio that the mutual fund provider makes available to the investing public. In addition, the share class of money market funds available as part of the cash sweep option for certain types of accounts will not necessarily be the lowest cost share class available from the money market fund. It is generally in your best interest to purchase lower-fee share classes because your returns are not reduced by additional fees and expenses. For clients in the Program, neither the CIO managing the Strategies’ models nor a Program Advisor has an incentive to recommend or select share classes that have higher expense ratios because their respective compensation is not affected by the share class selected.

From time to time a fund may authorize us to make available to clients participating in the Program a class of shares of such fund with a lower fee structure that we believe is more beneficial to you than the class of shares previously made available in the Program. Where such exchange is available, under the authority provided to us under the Client Agreement, we will effectuate an exchange to the other class of shares of the same fund with the lower fee structure as promptly as practicable.

For additional information on mutual funds and money market funds you can review our “Mutual Fund Investing at Merrill Lynch” document available at [ml.com/funds](http://ml.com/funds) and through a Program Advisor upon request.

**Cash Sweep Program Compensation Received by Us and Our Affiliates.** Merrill and our Bank Affiliates benefit financially when you hold cash balances in the bank deposit accounts affiliated with the Cash Sweep Program. Merrill receives payments from our Bank Affiliates on a per account basis for each account that sweeps to one of our Bank Affiliates relating to offering and supporting the Cash Sweep Program. The fees we receive from the Bank Affiliates is one of many factors that affect the interest rate paid by the Bank Affiliates on your swept cash balances under the Cash Sweep Program.

If you choose the “No Sweep” option, we also benefit from the custody or use of uninvested cash balances also known as free credit balances in Merrill accounts, subject to restrictions imposed by Rule 15c3-3 under the Securities Exchange Act of 1934. For deposits unrelated to the Cash Sweep Program to our Bank Affiliates relating to referrals from a financial advisor, we are entitled to receive a fee directly from each Bank Affiliate based on the daily deposit balance, which fee can be waived in whole or in part.

The Bank Affiliates benefit financially from the Cash Sweep Program. Through the Cash Sweep Program, they receive a stable, cost-effective source of funding. They use the cash funds deposited in the bank deposits to fund their current and future lending, investment and other business activities. The participation of the Bank Affiliates in the Cash Sweep Program increases their respective deposits and accordingly overall profits. Bank profitability is determined, in large part, by the “spread” they earn on the deposits— the difference between the interest paid on the bank deposits and other amounts paid to Merrill related to these deposits, on the one hand, and the interest or other income earned on loans, investments and other assets which may be funded in part by bank deposits, on the other hand. The greater the amount of cash balances maintained in your Account (a result of a recommendation from the CIO) that is swept into a bank deposit account affiliated with the Cash Sweep Program and the lower the interest rate paid on the related bank deposit, the more our Bank Affiliates benefit.

Cash balances swept to a bank deposit account of our Bank Affiliates under the Cash Sweep Program will bear a rate of interest that has been established for, and in light of the features of, the Cash Sweep Program. The rate of interest for such deposit accounts is periodically set and reset by the Bank Affiliates in their discretion. Accounts that enroll in the Program and in specified Merrill investment advisory programs receive the highest tier rate available under the Cash Sweep Program. The interest rate you earn

in the bank deposit account affiliated with the Cash Sweep Program will likely be lower than yields on certain money market funds and other cash alternatives.

We address the conflicts of interests associated with the Cash Sweep Program and the deposit accounts in a variety of ways, including through disclosure in this Brochure, by requiring clients to affirm their interest for the Cash Sweep Program options in signed agreements, oversight and supervision of particular account type relationships and specific investment product choices, account and product disclosures and documentation provided to clients throughout their account relationship. There is no charge, fee or commission imposed with respect to your participation in the Cash Sweep Program. We have adopted various policies and procedures reasonably designed to prevent the cash sweep arrangement compensation and other business arrangements from affecting the nature of the advice we and our financial advisors provide.

**Other Compensation Received by Us and Our Affiliates.** Separate and apart from the Program, Merrill, through its Program Advisors, may suggest or recommend that you use the Merrill securities account and our execution and custody or other services for other of your investment activity or use the services of our Affiliates. Similarly, Program Advisors may suggest or recommend that you purchase our products or those of our Affiliates. Where you use or purchase our or our Affiliate's services or products, we and our Affiliates will receive fees and compensation. Except as otherwise noted below, our Program Advisors will not receive compensation related to the Affiliate revenues that are earned or compensation that is paid to the Affiliate. We address the conflicts of interest presented by these Affiliated transactions by determining the compensation for Program Advisors based on a salary and not on revenues from the Program and having in place various policies and procedures reasonably designed to prevent the receipt of compensation by Merrill and its Affiliates and other business arrangements from affecting the nature of the advice we provide, although such policies and procedures do not eliminate such conflicts of interest.

**Compensation Received by Us and Our Affiliates for Principal Trading and Agency Cross Transactions.** Where permitted by regulation, Merrill may execute certain transactions on a principal basis through its Affiliates (including BofAS). Transactions that are considered principal transactions include our new issue offerings where we or our Affiliates act as an underwriter, selling group member or placement agent. In addition, our Affiliates can act in a principal capacity under certain circumstances when we execute transactions for your Account. In a trade executed in a principal capacity, our Affiliate acts as your trade counterparty and it can act as a market maker or remarketing agent for, or have a proprietary position in, the securities that are the subject of the transaction. We and our Affiliates receive compensation in connection with principal transactions, including markups, markdowns, underwriting discounts, selling concessions, a remarketing fee and other compensation. We and our Affiliates can profit from transacting as your counterparty or having proprietary positions in the subject securities. Moreover, we have an incentive to recommend a transaction in a security that our Affiliate maintains in inventory that is otherwise difficult to sell.

Other than transactions in a Retirement Account, Merrill may engage in agency cross transactions when it acts as agent for both buyer and seller in a transaction. If this type of trading execution occurs, since Merrill generally receives compensation from each party to an agency cross transaction, there is a conflict of interest between our obligations to you and to the other party to the transaction.

**Third-Party Firm Business Relationships and Support.** We and our Affiliates have business relationships with investment managers, including third-party managers of investment strategies offered in other of our investment advisory programs, Fund managers, distributors and sponsors, and insurance companies and other product providers ("Third-Party Firms"). We make available research, execution, custodial, pricing and other services in the ordinary course of business. Third-Party Firms can direct transactions to us or our Affiliates including effecting transactions in the ordinary course

of business for funds and product vehicles managed or sponsored by them (e.g., mutual funds and ETFs). We also make available brokerage services and other Merrill or Affiliate programs and services, including banking and lending services. Any compensation paid to us or our Affiliates by a Third-Party Firm is additional compensation to us for services we and our Affiliates provide.

In order to make investment products or services available on our platform, we incur certain technology and infrastructure costs. While we do not generally receive reimbursement for technology-related costs associated with the onboarding or maintenance of a platform, tool or service, we reserve the right to seek reimbursement from Third-Party Firms for particular projects. In the event that we receive support from product issuers or sponsors for such costs, it creates a conflict with our ability to use strictly objective factors when selecting product sponsors to make available on our platform.

Having business relationships with Third-Party Firms creates a conflict of interest and can affect opportunities to negotiate more favorable financial terms for client investments in the products of the Third-Party Firms. We disclose the nature of our relationship in general with Third-Party Firms. We determine the compensation paid to our Program Advisors on the same basis for all Program assets without regard to the amount of compensation we or our Affiliates receive. Our Program Advisors do not have an incentive to recommend certain investment products over others because they do not receive additional compensation as a result of these types of arrangements or compensation. Additionally, we select Strategies and Funds that are available through the Program and other of our investment advisory programs based on qualitative and quantitative evaluation of such factors as performance, risk management policies and procedures and on the consistency of the execution of their strategy. We have adopted various policies and procedures reasonably designed to prevent the receipt of such compensation and other business arrangements from affecting the nature of the advice we and our financial advisors provide.

Certain Third-Party Firms periodically participate in Merrill-hosted internal training and education conferences ("Conferences") for invited Merrill financial professionals (which can include Program Advisors). These financial professionals include financial advisors, including Program Advisors, employees who work for a Merrill branch, market or division to support the financial advisors ("Field Employees") and employees who cover product, Chief Investment Office and home office support functions ("Non-Field Employees"). Conferences are organized on either a national or local level. During 2023, Merrill and certain Third-Party Firms shared in the costs of the Conferences and during this period, Merrill received approximately \$4.7 million from participating Third-Party Firms as part of their share of the covered costs for these Conferences.

Merrill also holds client and prospect events (e.g., seminars, trade shows, booth events) where Third-Party Firms participate ("Client Events"). During 2023, Merrill was reimbursed by participating Third-Party Firms for certain expenses incurred in connection with holding such Client Events in the amount of approximately \$2.2 million from participating Third-Party Firms.

Certain Third-Party Firms periodically host or participate in educational meetings for certain financial advisors (which can include Program Advisors), Field Employees and Non-Field Employees ("Manager Meetings") where they provide information on investment products and services and the opportunity to interact with their investment and sales personnel. For those Manager Meetings held in 2023, the hosting Third-Party Firm paid for certain of the Manager Meeting costs subject to a cost sharing cap. Merrill or the attending financial advisor, Field Employee and Non-Field Employee paid for travel, accommodation and continuing education costs. In 2023, the total expenditures made by participating Third-Party Firms relating to Manager Meetings was less than \$50,000.

Furthermore, Third-Party Firms also provided monetary support directly to charities or in connection with charitable events and causes that Merrill or its employees support or attend. The total contributions made by Third-



Party Firms in support of charitable events and causes that we requested or initiated with the Third-Party Managers in 2023 was approximately \$225,000. Participation in charitable events is subject to Merrill internal policies and supervision.

Beginning in January 2024, Third-Party Firms that elect to act as sponsors of Conferences and Client Events will reimburse Merrill on an equitable basis for the eligible costs of the particular Conference for which they act as sponsor. The reimbursable costs include venue and facilities costs (including food and beverages), certain speaker costs and travel, lodging and continuing education costs for attending financial advisors (including Program Advisors) and select employees facilitating the Conference or Client Event. Merrill organizes the Conferences and Client Events and approves the attendees, speakers, agenda and meeting content and sponsors. All Conference and Client Event expenditures must align to Merrill internal policies and policy limits and are subject to Merrill supervision and oversight. In addition, Third-Party Firms that hold Manager Meetings will pay for all eligible costs associated with such meetings, including the cost of travel, accommodation and continuing education fees for the attending financial advisors, Field Employees and certain permitted Non-Field Employees (not including any CIO employee). The costs to be covered by the Third-Party Firm are subject to Merrill policies and guidelines.

The participation of, and payment of costs by, a Third-Party Firm for Conferences, Client Events, Manager Meetings and charitable events present conflicts of interest. They create incentives for financial advisors, including Program Advisors, to recommend products of participating Third-Party Firms. They give those participating in Conferences, Client Meetings and Manager Meetings with more opportunities to interact and build relationships with Third-Party Firms and their personnel which could lead them to recommend the products and services of these Third-Party Firms over others. There is also a conflict of interest for Field Employees to approve those recommendations and for non-Field Employees to select products of the Third-Party Firm for the Merrill platform.

We address these conflicts in a number of ways. There is no requirement that Third-Party Firms reimburse Merrill for, or pay the costs of, such events in order for their investment products to be made available on the Merrill platform. We limit the participation of financial advisors (including Program Advisors), Field Employees and Non-Field Employees in these events. Neither we nor our Affiliates incentivize our financial advisors, including Program Advisors, to recommend the products or services of a Third-Party Firm that makes such contributions over those that do not. We do not incentivize Field Employees to approve the recommendations of products and services of Third-Party Firms who participate in the Conferences, Client Events and Manager Meetings and we do not incentivize Non-Field Employees to approve particular products of a Third-Party Firm for the Merrill platform. Third-Party Firms are not permitted to condition their payment on any amount of sales of their products or services. Third-Party Firm reimbursements for costs of meetings and events must align to Merrill internal policies and policy limits and are subject to Merrill supervision and oversight that is reasonably designed to review the nature of the business interactions and level of expense reimbursement from affecting the nature of the advice we provide.

Representatives of Third-Party Firms will, from time to time, meet and work with our financial advisors, including Program Advisors, Field Employees and Non-Field Employees, one on one or in small individual groups, to provide information and support regarding their respective investment products. We have policies and procedures that limit Third-Party Firms from providing or paying for, and our financial advisors, Field Employees and Non-Field Employees from receiving, gifts, meals and entertainment other than as permitted by and subject to the limits established under Merrill internal policies. Nominal gifts including items of a promotional nature (i.e., logo items, like golf balls, hats) are permitted. Subject to our policy requirements and restrictions, a Third-Party Firm may pay the costs of a business meal for a Program Advisor, Field Employee and certain Non-Field Employee up to a limit of \$300 per meal and a total of \$1,000 per year. While our policies permit attending entertainment events, (i.e., sporting events and

golf outings) organized by a Third Party Firm, the Program Advisor, Field Employee and/or Non-Field Employee must pay for the costs of such events themselves.

Permitting Third-Party Firm representatives access to our financial professionals and paying for meals presents a conflict of interest. Providing financial advisors with gifts, meals or entertainment access creates incentives for them to recommend investment products of those Third-Party Firms. It can also create incentives for Field Employees to approve recommendations of a financial advisor, where required. Furthermore, providing gifts, meals or entertainment access to Non-Field Employees creates incentives to approve the investment products of the Third-Party Firm for the Merrill platform. In addition to monetary limits, we have policies, procedures and supervisory controls that are reasonably designed to review the frequency and level of gifts, meals or entertainment access from affecting the nature of the advice we provide. Third-Party Firms are not permitted to condition their gifts, meals or entertainment access on any amount of sales of their investment products. Merrill does not incentivize any of its financial professionals to recommend or select one investment product over another.

#### **Provision of Diversified Financial Services by Us or Our Affiliates.**

BofA Corp. is a diversified financial services company that generally provides, through us and our Affiliates, a wide range of services to retail and institutional clients for which it receives compensation. As a result, we, BofA Corp. and our Affiliates, can be expected to pursue additional business opportunities with the entities whose Funds we make available through the Program. Consistent with industry regulations, these services that we and our Affiliates provide include (but are not limited to): banking and lending services, sponsorship of deferred compensation and retirement plans, recordkeeping services, investment banking, securities research, institutional trading and prime brokerage services, custody services, investment advisory services, licensing arrangements involving indices and effecting portfolio securities transactions for Funds and other clients.

In addition, from time to time, BofAS and other of our Affiliates may acquire equity stakes in market centers (e.g., national securities exchanges or alternative trading systems) as part of a strategic investment and therefore stand to participate as a shareholder and investor in the profits that each market center realizes in part from the execution of securities transactions, including transactions for your Account. Additional information regarding these relationships is publicly available in Regulation NMS Rule 606 reports we file with the SEC.

## **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND CONFLICTS OF INTEREST**

There are various ways that we can be viewed as participating or having an interest in client transactions. These situations and any conflicts of interest arising from such activities, execution approach or other capabilities we offer in the Program are discussed in this section and throughout the Brochure.

**Cash Balances and Cash Sweep Program.** The [Sweep Program Guide for Merrill Clients](#) provides information on the fees that Merrill receives from the Bank Affiliates for each account, including Program Accounts that sweeps to the MLBD Program and the RASP. These fees are up to \$100 per year for each account received from the Bank Affiliates. This compensation is subject to change from time to time, and Merrill may waive all or part of it. Merrill may benefit from the possession or use of cash balances, also known as free credit balances, in your accounts, subject to restrictions imposed by Rule 15c3-3 under the Securities Exchange Act of 1934. See "Item 9 Compensation, Conflicts of Interest and Material Relationships—Cash Sweep Program Compensation Received by Us and Our Affiliates."

**Participation in Affiliate Lending Programs and Margin.** There are conflicts of interest when you use a loan from Merrill or one of its Affiliates secured by your Account assets as collateral. These conflicts exist with a margin loan from Merrill or with any of our Affiliate lending programs that may be available to you from an Affiliate lender. In the case of a loan from



our Affiliate, including but not limited to the Loan Management Account® product (“LMA® account”), the Affiliate lender intends to derive a profit as lender based on interest and/or fees, if any, charged on the loan. The lender, whether it be Merrill or its Affiliate, has a lien on your Account assets that are used as collateral for the loan. The lender will act to protect itself as lender in connection with the loan, and this may be contrary to your interests and/or investment objectives. Please refer to “Item 6 Investment Strategies and Risk of Loss” for additional information.

**Activity by Merrill, Affiliates and Personnel.** We and our Affiliates act in a variety of capacities to a wide range of clients. From time to time in the course of those duties, confidential information will be acquired that cannot be divulged or acted upon for advisory or other clients. Similarly, we may give advice or take action with regard to certain clients, including clients in the Program, which differs from that given or taken with regard to other clients. This includes the advice given or actions taken for certain securities, Funds or investment managers. In some instances, the actions taken by Affiliates for similar services and programs will conflict with the actions taken by us. This is due to, among other things, the differing nature of the Affiliate's investment advisory service and differing processes and criteria upon which determinations are made.

We and our Affiliates limit the overall aggregate ownership in certain Registered Funds that are mutual funds and ETFs by us, our Affiliates and those of our clients that have granted discretion to us, our Affiliates and/or Merrill Advisors (“discretionary clients”) to avoid potential restrictions on our ability and our Affiliate's ability to engage in principal trading and other transactions with such funds. Registered Funds identified by us for these limitations from time to time are referred to as In-Scope Funds. A portion of the aggregate ownership limit is attributed to our Affiliates. When we and our Affiliates choose to allocate a portion of an investment opportunity in an In-Scope Fund to us, or our Affiliates, there is a corresponding reduction under the overall aggregate ownership limit of In-Scope Fund shares available for investment by discretionary clients. As a result of these ownership limits and allocations, discretionary clients will face limits on their ability to invest in In-Scope Funds from time to time and can be precluded from investing in certain In-Scope Funds that otherwise might have been the best available investment alternatives. Because our and our Affiliates' ownership is applied to determine the aggregate ownership limits, such limits create conflicts of interest for us in determining the amount of investment opportunities in In-Scope Funds that are available to discretionary clients.

We reserve the right to have Merrill, a Merrill Affiliate or a Related Company construct (or provide investment management and advisory services for) a Strategy and charge a separate manager fee. In such case, we and/or the Merrill Affiliate or Related Company retain both the Program Fee and the manager fee.

We and our Affiliates provide some or all of the same services offered in the Program through other financial firms, affiliated or unaffiliated with us, which offer programs similar to the Program at fee rates that differ from the Program Fee. We or one of our Affiliates may have a position in or enter into “proprietary” transactions in securities purchased or sold for clients, including clients participating in the Program. We or our Affiliates may benefit from such securities positions or transactions.

From time to time, however, a Fund selected for a Strategy may invest in securities issued by BofA Corp. or its Affiliates to achieve its investment objective. Any such investments by a Fund are required to comply with the applicable provisions of the Investment Company Act of 1940, as amended (the “Investment Company Act”), including limitations on investments in securities-related businesses, and will not be influenced by MLPF&S or MAA.

Our employees, including Program Advisors, may refer clients to BANA, BofAS and other Affiliates for financial services that they provide, including transaction execution and investment banking services and products (including banking products). Similarly, employees of BANA and its Affiliates may refer clients to us for brokerage and investment advisory services.

These referrals may involve the payment of referral fees between us and BANA or its Affiliates. As permitted by applicable law, Program Advisors receive compensation for referring clients to our Affiliates, the amount of which varies by service and product and can be significant. This results in a conflict of interest because we are incentivized to introduce services that provide us or our Affiliates additional compensation.

From time to time, a shareholder of BofA Corp. could acquire a sufficiently large interest in BofA Corp. that the holding triggers statutory or regulatory obligations or restrictions. In such event, our ability to take certain actions or make recommendations within your Account, such as buying or selling securities issued by the shareholder or its affiliates, will be limited.

We address these conflicts in a variety of ways, including through disclosure in this Brochure. In addition, our Program Advisors are required to recommend investment advisory programs, investment products and securities that are suitable for each client based upon investment objectives, risk tolerance and financial situation and needs. We also have a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest – both those arising between and among Accounts as well as between Accounts and our business (e.g., personal trading preapprovals, self-reporting, restrictions on our personnel detailed in our policies and procedures and Code of Ethics). We have also adopted various policies and procedures reasonably designed to prevent the receipt of any referral compensation and other business arrangements from affecting the nature of the advice we and our Program Advisors provide, although such policies and procedures do not eliminate such conflicts of interest.

**Trade Execution.** We or our Affiliate may execute transactions in your Account on a principal basis (that is, when we or our Affiliate sell a security to you, or buy a security from you, for our own account) as permitted by law, and upon your consent (when required by applicable regulations). Principal transactions may give you access to investment opportunities or trade executions that might not otherwise be available to you, such as trading of fractional shares within your Account. Principal transactions may not be effected for Retirement Accounts, except in accordance with applicable law.

There are conflicts of interest present when we execute transactions in your Account on a principal basis. If Merrill effects a principal transaction for your Account, then in addition to the Program Fee, we receive a commission, markup or markdown, underwriting fee or selling concession, or other compensation with respect to the transaction, which would result in additional compensation or other benefit to us or our Affiliate. We also benefit from the “spread” or the difference between the price we pay for a security and the price at which we sell it to you, or between the price we may pay for a security that we may buy from you and the price for which we may later sell it. In addition, we have an incentive to recommend a transaction in a security that we maintain in our inventory that is otherwise difficult for us to sell. The receipt of additional compensation and an incentive to recommend a transaction involving our inventory present conflicts between our interest and yours. The types of securities that may be purchased or sold on a principal basis in your Account pursuant to the terms of your Client Agreement may change in the future and could become more limited.

We may, at times, have the opportunity to act as agent for both buyer and seller in a transaction for your Account. This is called an agency-cross transaction. Since we generally will receive compensation from each party to an agency-cross transaction, there is a potential conflict between our responsibilities and loyalties to you and to the other party to the transaction. Any compensation we receive will be in addition to the Program Fee. The Client Agreement generally gives us permission to engage in agency cross transactions for your Account, except where prohibited by law. You may revoke your consent at any time by notifying us in writing.

At times, we may consider a security being sold by one investment advisory client to be appropriate for purchase by another investment advisory client account. In such cases, we may arrange to transfer or “cross” the security directly between the affected accounts. Any cross transactions in your

Account would be effected in accordance with applicable law and your Client Agreement. Cross transactions generally will be effected at an independently determined market price and will not result in any additional compensation to us.

For a Retirement Account that is subject to ERISA or the Code's prohibited transaction rules, transactions, including agency-cross transactions, will be effected by or through Merrill or our Affiliates in compliance with ERISA Section 408(b)(19), U.S. Department of Labor Prohibited Transaction Exemption 86-128, or otherwise in a manner that is not prohibited by ERISA or the Code.

We do not receive payment for order flow from liquidity providers to which we route our customer orders in equity securities. We directly or indirectly (through our Affiliates) receive rebates from, and pay fees to, certain registered securities exchanges for providing or taking liquidity on those exchanges, according to those exchanges' published fee schedules filed with the SEC. In some cases, the rebates received by us from an exchange will, over a period of time, exceed the fees paid to the exchange. The rebates and payments from these third parties vary depending on the order and the exchange to which orders are directed and create a conflict of interest because we are incentivized to recommend transactions that provide us with greater rebates or payments from these exchanges.

**Covered Entities under the Volcker Rule.** We may provide certain entity clients that qualify as "family wealth management vehicles," or FWMV clients, with both the Program Services as well as lending services and to engage, where permitted, in principal transactions. In doing so, we rely on the exception under the Volcker Rule implementing regulations that is available for FWMV clients and have provided FWMV clients with key disclosures that relate to qualifying for this exception in the Client Agreement. For certain entity clients that are deemed "covered fund" clients under the Volcker Rule, we are not permitted to offer both Program Services and the availability of margin, lending or other extensions of credit from us or any of our Affiliates, including BANA, or engage in certain principal transactions. Certain other transactions between BANA or its Affiliates and the entity client will also be prohibited.

## ACCOUNT REVIEWS AND REPORTING

An important part of the Program relationship involves providing you with the opportunity to engage in periodic reviews with a Program Advisor. These reviews provide updates on the progress of your Account towards your goals and other important information about your investments. This review is also an opportunity to ensure that the information you provide is complete, accurate and reflects your financial situation and objectives for the Accounts enrolled in the Program.

We will contact you to request that you review your information for each of the Accounts in the Program and ensure that it is up to date. As noted above, if there are multiple owners on this Account, the information you provide should reflect the views and circumstances of all owners on the Account. If you are the fiduciary of this Account for the benefit of the account owner or account holder (e.g., the trustee for a trust or custodian for an UTMA), please keep in mind that these assets will be invested for the benefit of such account owner or account holder.

A periodic review of your Account should typically occur on an annual basis; however, under our Program guidelines, we have the ability to extend or defer the timing of the review under certain circumstances and for certain periods of time. Because these reviews provide you with important and necessary information relating to your Account, you are required to take advantage of these opportunities to participate in Account reviews. If you do not participate in your Account review, we may terminate your Account from the Program in our discretion.

We will periodically communicate to you important information about how we are managing your assets in the Program. The primary means through which we will communicate with you and memorialize in writing the important terms, conditions and information about your Portfolios, Accounts

and Strategies, is through a Program Report. You will receive your first Program Report from us after we accept your enrollment in the Program and each time you make changes to certain of the Services you elect, including, but not limited to, when you add Portfolios or Accounts, add or change Strategies in each Portfolio and change your Target Asset Allocation. You should review each Program Report we send to you carefully to ensure that the information reflected therein is accurate and you should contact a Program Advisor if you believe any of the information is, or becomes, inaccurate.

We will send you periodic updates that contain information about your Portfolios and Accounts, including trade confirmation information and account statements. We will also provide you with periodic performance reports to help you monitor and assess the performance of your Portfolios, Accounts and the Strategies you select. These reports contain information regarding investment return, risk and selected benchmark comparisons for your assets in each Strategy you select. You should review all such materials carefully and promptly report any discrepancies to a Program Advisor.

We reserve the right to change the format, content and nature of the presentation of information in the Program Report in our sole discretion. The Program Report or other Program communications, including those prepared or delivered in a digital or electronic format, may also include information about your accounts that are not subject to the Agreement, including, in our discretion, your brokerage accounts, other investment advisory program accounts and banking relationships and accounts held at other financial institutions. Their inclusion in a Program Report or other materials is provided for your information only and does not change the nature of our obligations to you under agreements related to those accounts and relationships. The Program Fee will not apply to these accounts or relationships, and we will not be an investment adviser or a fiduciary with respect to the assets in such accounts, solely by virtue of their inclusion in a Program Report or other materials we provide. Any such included accounts will continue to be subject to the terms and conditions of the applicable securities or other account agreements. Any advice that we may provide to you with respect to the assets in such accounts, including asset allocation advice, will be incidental to the services that we provide to you under the other applicable securities or other account agreements.

## REFERRALS AND OTHER ARRANGEMENTS

Our Program Advisors are not permitted to give to you or accept from you any fee, kickback, or other thing of value, including a Program Fee Rate reduction, gifts, meals, or entertainment pursuant to any agreement or understanding, oral or otherwise, for receiving or referring business.

Our employees may refer advisory clients to BANA, including its private bank, BofAS and other of our Affiliates for products and services. Similarly, employees of BANA and its Affiliates may refer clients to us for brokerage or advisory services. These referrals may involve the payment of referral fees between us and BANA or its Affiliates. For more information, see the section "Participation or Interest in Client Transactions and Conflicts of Interest—Activity by Merrill, its Personnel and Affiliates."

We enter into marketing arrangements with third parties who, for compensation, provide consulting or other services to us in connection with the marketing of our various advisory programs. Any such marketing arrangement is governed by a written agreement between us, as applicable, and the third party, and will be disclosed to you, as required by law.

## FINANCIAL INFORMATION

Not Applicable.

## Glossary

**"Account"** means each of the securities accounts to which the Client Agreement applies and that are enrolled in the Program, and as set forth in the Program Report.

**"Affiliate"** means a company that is controlled by, in control of, or under common control with another company.

**"Alternative Investments"** means such investments as we designate from time-to-time in our sole discretion whose risk and return characteristics generally are not correlated with more traditional investments (i.e., equities, fixed income and cash). This term includes non-traditional mutual funds.

**"Annual asset based fees"** means those fees imposed by mutual funds on an annual basis, like service fees and Rule 12b-1 fees.

**"Authority"** means the authority to make certain investment and trading decisions with respect to the assets in an Account as described in "Item 4 Investment Strategy Services."

**"Bank Affiliate"** means Bank of America, National Association (BANA) or other banks that are affiliated with us.

**"BofAS"** means BofA Securities, Inc., an Affiliate of Merrill.

**"Cash Sweep Program"** means the program provided as part of your securities account whereby cash balances in your Account are automatically swept into a cash sweep option available for your Account type.

**"CIO"** means the Chief Investment Office. The CIO is a Merrill business group providing investment solutions, portfolio construction advice and wealth management guidance to MLPF&S financial representatives and clients.

**"Client Agreement"** means the investment advisory agreement relating to the Program among the Client, MAA and MLPF&S, as it may be amended from time to time.

**"Exchange Act"** means the Securities Exchange Act of 1934, as amended.

**"FINRA"** means the Financial Industry Regulatory Authority, Inc.

**"Fund"** means registered investment companies, including mutual funds and ETFs.

**"MLBD Program"** means the Merrill Lynch Bank Deposit Program.

**"NTF"** means a nontraditional mutual fund or ETF registered with the SEC that is classified as an Alternative Investment by us because its principal investment strategies utilize alternative investment strategies or provide for alternative asset exposure as the means to meet its investment objectives.

**"Offering Materials"** means the prospectus or other offering and disclosure documents relating to a Fund.

**"Program"** means the Merrill Edge Advisory Account Program.

**"Program Advisor"** means a Merrill Lynch representative with the title or designation of "Financial Solutions Advisor".

**"RASP"** means the Retirement Asset Savings Program.

**"Reasonable Investment Restrictions"** means one or more reasonable investment restrictions accepted by us that you would like to impose for any Account, such as identifying a security that should not be purchased.

**"Registered Fund"** means any Fund that is registered under the Investment Company Act, including mutual funds, closed-end funds, ETFs and money market funds.

**"Related Company"** means a company that is an Affiliate of BANA or in which BANA or an Affiliate of BANA or of BofA Corp. has a material ownership interest.

**"Related Fund"** means any Fund sponsored, managed, or advised by us, a Related Company or any of our Affiliates

**"Retirement Account"** means an ERISA Plan, a U.S. tax-qualified plan of self-employed persons, a U.S. individual retirement account, or any other plan, arrangement or entity subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended.

**"Rule 12b-1 Fees"** means fees paid for the distribution of mutual funds pursuant to a plan made under Rule 12b-1 under the Investment Company Act.

**"SEC"** means the United States Securities and Exchange Commission.

**"Services"** means the services provided in the Program and described in this Brochure.

**"Strategy"** means an investment strategy developed by the CIO to align to a particular Target Asset Allocation.

**"Target Asset Allocation"** means a recommended allocation of assets in a portfolio across one or more asset classes. The Target Asset Allocation categories used in this Program are:

- Conservative — primary focus is on portfolio stability and preservation of capital with the achievement of low or negative investment returns in exchange for reduced risk of loss of principal and liquidity.
- Moderately Conservative — primary focus is to achieve a modest level of portfolio appreciation with minimal principal loss and volatility.
- Moderate — primary emphasis is to strike a balance between portfolio stability and portfolio appreciation with the assumption of moderate level of risk and level of volatility and principal loss.
- Moderately Aggressive — primary emphasis is on achieving portfolio appreciation over time with the assumption of a fair amount of risk, and high level of volatility and risk of principal loss.
- Aggressive — primary emphasis is on achieving above-average portfolio appreciation over time with the assumption of substantial risk and a significant level of portfolio volatility.

**"Unaffiliated Trade Counterparty"** means a bank, broker or dealer other than an Affiliate of Merrill.