

Merrill Lynch Institutional Investment Consulting Program

BROCHURE

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This Brochure provides information about the qualifications and business practices of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") relating to the Merrill Lynch Institutional Investment Consulting Program. If you have any questions about the contents of this Brochure, please contact us at 800.MERRILL (800.637.7455). 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.

The advisory services described in this Brochure are not insured or otherwise protected by the Federal Deposit Insurance Corporation or any other government agency; are not an obligation of any bank or any Affiliate of Merrill Lynch; are not endorsed or guaranteed by Bank of America, N.A., Merrill Lynch, or any bank or any Affiliate of Merrill Lynch; and involve investment risk, including possible loss of principal.

Additional information about Merrill Lynch also is available on the SEC's website at http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx.

June 30, 2017

Merrill Lynch makes available products and services offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S), a registered broker-dealer and investment adviser, and member SIPC, and other subsidiaries of Bank of America Corporation (BoFA Corp).

Investment products offered through MLPF&S:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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TABLE OF CONTENTS

TABLE OF CONTENTS.....	I
ADVISORY BUSINESS.....	1
About Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	1
Institutional Investment Consulting.....	1
Summary Description of Services.....	1
Investment Advisory Agreement.....	1
Detailed Description of Services.....	2
Limitation Of Services.....	6
Termination.....	6
Qualification Of Designated Advisors.....	6
Other Investment Advisory Programs.....	7
Assets Under Management.....	7
FEES AND COMPENSATION.....	7
Program Fees.....	7
Calculation Of Program Fees.....	7
Initial Billing Of Program Fees.....	7
Billing Upon Termination Of Service.....	8
Invoices.....	8
Other Fees And Expenses.....	8
Compensation For The Sale of Securities.....	8
Sources of Revenue.....	9
Conducting Business Through Merrill Lynch.....	9
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	9
TYPES OF CLIENTS.....	9
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	9
IIC Eligible Strategies.....	9
Review Process.....	10
Information Available To Designated Advisors Regarding IIC Eligible Strategies	11
Status Change of IIC Eligible Strategies.....	11
Risks Associated With Certain Investments.....	11
IMPORTANT CLIENT RESPONSIBILITIES.....	12
RELATED PERSONS.....	12
DISCIPLINARY INFORMATION.....	12
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	17
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	18
Conflicts Of Interest And Information Walls.....	18
Code Of Ethics.....	19
Participation Or Interest In Client Transactions.....	19
Securities Trading By Merrill Lynch And Our Personnel.....	20
BROKERAGE PRACTICES.....	20



REVIEW OF ACCOUNTS.....20

CLIENT REFERRALS AND OTHER COMPENSATION.....20

Compensation For Client Referrals.....20

Other Compensation.....21

 Event Payments From Fund Providers.....21

 Gifts And Other Non-Monetary Compensation.....21

CUSTODY.....21

INVESTMENT DISCRETION.....21

VOTING CLIENT SECURITIES.....21

FINANCIAL INFORMATION.....21

GLOSSARY.....22





This Brochure relates to the Merrill Lynch Institutional Investment Consulting Program (the "Program" or "IIC") offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated (referred to in this Brochure as "Merrill Lynch", "we" or "us"). For purposes of this Brochure, "client", "you", or "your" refers to the client enumerated in the Institutional Investment Consulting Client Agreement (the "Client Agreement").

All capitalized terms are defined in the body of this Brochure and/or in the Glossary, which can be found at the end of this Brochure.

ADVISORY BUSINESS

A. ABOUT MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

Merrill Lynch, an indirect wholly-owned subsidiary of Bank of America, is a global investment banking firm. Merrill Lynch offers a broad range of brokerage, investment advisory, retail and other services and is registered with the Securities and Exchange Commission ("SEC") as a broker-dealer and an investment adviser.

B. INSTITUTIONAL INVESTMENT CONSULTING

When providing services in this Program we acknowledge our status as a fiduciary in the Client Agreement under the Investment Advisers Act of 1940 ("Advisers Act") and under section 3(21)(A)(ii) of ERISA for the investment advice we provide to client's subject to ERISA ("Qualified Retirement Plans").

1. Summary Description of Services

The services in this Program are provided by a select group of Merrill Lynch Financial Advisors who are designated to provide IIC services ("Designated Advisor"). Merrill Lynch and your Designated Advisor will work with you to determine an allocation for your assets across various asset classes ("Target Asset Allocation") and create an Investment Policy Statement ("IPS"). We will provide you with investment manager and strategy recommendations aligned to that Target Asset Allocation to help meet the specific needs of your portfolio as well as investment performance reports.

A more detailed description of the Program is provided elsewhere in this Brochure, along with other material information about Merrill Lynch. Before selecting this Program, please review this Brochure carefully and speak with your Designated Advisor if you have any questions.

The following services are included in the Program:

- Assistance with the development of your portfolio's Target Asset Allocation
- Creation of an IPS
- Manager searches and ongoing due diligence
- Quarterly investment performance reporting

IIC is available to charitable organizations, pension and profit sharing plans, corporations, high net worth individuals, trusts, and estates where the assets governed by the Client Agreement are maintained at a custodian other than Merrill Lynch and meet certain requirements. Client's may not use Merrill Lynch's other investment advisory programs (see *Other Investment Advisory Programs* for



further information) to engage with an investment manager or implement a strategy for the assets enrolled in IIC.

2. Investment Advisory Agreement

The scope of any investment advisory relationship we have with you is defined in the Client Agreement that you sign for the Program. Through IIC, we act as your investment adviser only for the portfolio specifically referenced in the Client Agreement, and not for any other assets or accounts, unless otherwise separately agreed to by us in writing. Our advisory relationship begins when we enter into the Client Agreement with you, which occurs when we accept your signed contract. Preliminary discussions or recommendations before we enter into the Client Agreement with you are not intended as investment advice and should not be relied upon as such. By participating in IIC, you acknowledge that the services we are providing in IIC are non-discretionary and that you have retained, and will exercise, final decision-making authority and responsibility for all matters concerning the portfolio as well as for the implementation of any investment plan or strategy resulting from the services provided under the Client Agreement.

If you are a Qualified Retirement Plan, through the Client Agreement, Merrill Lynch acknowledges that it is an ERISA fiduciary to the extent that we render investment advice (within the meaning of section 3(21)(A)(ii) of ERISA) to you regarding the Plan. That investment advice is including but not limited to the recommendation for your portfolio's asset allocation and the recommendation of investment managers and strategies as defined below (except as specifically noted below with respect to any Excluded Assets), but not in any other aspects of our relationship.

You may make asset allocation or investment-related decisions contrary to our recommendations, or make your own decisions without the benefit of our advice, including retaining an investment manager or strategy we do not recommend or for which we do not provide due diligence. However, if you repeatedly disregard our advice, we may, at our discretion and with notice to you, terminate you as an IIC client.

3. Detailed Description of Services

The following are detailed descriptions of the services that are included in the Program:

Asset Allocation

Strategic Allocation Modeling

Merrill Lynch will assist you in identifying an appropriate long-term Target Asset Allocation for your portfolio's specific needs and goals. Our recommendation will be provided to you in the Strategic Allocation Modeling report. Your Designated Advisor will collect certain information from you through the Institutional Investment Consulting Program Questionnaire ("IIC Questionnaire") which gathers information such as your portfolio's risk tolerance, time horizon, liquidity needs, and how the portfolio is to be managed. Our Institutional Retirement Investments Team will produce the Strategic Allocation Modeling report by using various tools such as computer models to construct asset allocations and to project potential ranges of returns and market values over various time periods



and using various cash flows. The modeling uses our forward-looking capital market assumptions of risk and return for the different asset mixes.

Past performance and the return estimates of the asset classes and the indices that correspond to these asset classes may not be representative of actual future performance and actual results could differ, based on various factors including the expenses associated with the management of the portfolio, the portfolio's securities versus the securities comprising the various indices, and general market conditions.

For defined benefit plan clients upon request, we offer a Strategic Allocation Modeling report that contains Asset-Liability Modeling analytics. These analytics are designed to assist plan sponsors with the measurement and management of their long-term plan liabilities and to better align the plan's asset allocation and portfolio strategy to achieve greater likelihood in meeting future pension payment obligations. Two Asset-Liability modeling report options are available based on client needs. A basic Strategic Allocation Modeling report for a defined benefit plan includes limited stochastic modeling of the market value of the plan assets and accounting liabilities to forecast the balance sheet funded status for various efficient strategic asset allocations; and the analysis relies on standard industry assumptions and policies. A comprehensive Strategic Allocation Modeling report for a defined benefit plan includes a more comprehensive stochastic modeling of plan assets and liabilities to forecast pension metrics – annual contributions (according to the plan sponsor's funding policy), profit and loss expense, funded status on an ERISA basis, and balance sheet funded status – for various efficient strategic asset allocations with the ability for the client to customize the asset allocations modeled for client/plan constraints.

In providing the Asset-Liability Modeling analytics, Merrill Lynch will utilize the services of its affiliate BANA under a servicing arrangement between Merrill Lynch and BANA.

We rely upon information provided by you to produce the Strategic Allocation Modeling report as well as the other Program services described below. You should provide prompt written notice to Merrill Lynch of any change in the portfolio's investment objectives, guidelines, restrictions, or similar information, which would materially change the information previously provided by you and used in producing the Strategic Allocation Modeling report or the Program services described below.

Please note that the guidance we provide in the creation of a Target Asset Allocation for your portfolio is a recommendation we are providing to you and it is your responsibility to approve the final portfolio asset allocation. 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 also encourage you to consult with your professional advisors, since we do not provide tax or legal advice that may affect asset classes or allocations used in the modeling. However, we will apply guidelines you supply as directed. Again, compliance with restrictions or guidelines, if any, is your responsibility.

Monitoring

We will also periodically report to you, in writing, the actual asset allocation for your portfolio ("Actual Asset Allocation") against the Target Asset Allocation. Your Actual Asset Allocation may become misaligned with your Target Asset Allocation for many reasons, such as market movement, additions and withdrawals of assets from your portfolio, or changes in the investment managers or strategies you select, or purchases and sales of certain securities within those investment strategies. Your Designated Advisor will review your Actual Asset Allocation with you on a periodic basis. If your



portfolio's Actual Asset Allocation is outside of the applicable Target Asset Allocation ranges and you stated in your IPS and do not take recommendations, we may, terminate you as an IIC client.

Investment Policy Statement ("IPS") Creation

Merrill Lynch will assist you in creating a written IPS which will describe both your investment goals and objectives for your portfolio as well as certain policies governing the investment of assets. As with the Strategic Allocation Modeling report, your Designated Advisor will use the information collected from you through the IIC Questionnaire to assist you in creating an IPS for your portfolio. The IPS will reflect the Target Asset Allocation you selected.

As noted above, we rely upon information from you to create the IPS. We strongly encourage that you utilize your other professional advisers, such as attorneys and/or accountants. The acceptance, adoption, and implementation of the IPS is your responsibility.

Merrill Lynch shall not have discretion or any authority over implementation of the asset allocation or IPS, and shall not otherwise have management or control of the portfolio assets or any related legal documents. Please note that it is your responsibility to maintain a copy of the IPS and to make updates and reflect any changes that may be made from time to time. To the extent you want us to remain current with any changes, you must also supply us with any modifications or changes to the IPS or asset allocation. We will rely on you to provide us with such updated materials on a timely basis. It is also your responsibility to adhere to the IPS in managing and supporting your portfolio and its investment objectives. Accordingly, Merrill Lynch will not be responsible for verifying that the investment strategy recommendations that are provided to you on an ongoing basis are in adherence with your portfolio's IPS. You should review the portfolio's investments periodically to verify compliance with the IPS. You will be solely responsible for approving and implementing any change in the investments and/or IPS.

Manager Searches and Recommendations

Merrill Lynch and your Designated Advisor will assist you in your evaluation, review, and selection of investment managers and strategies for your portfolio, specifically IIC Eligible Strategies as described below. The strategies available in the IIC Eligible Strategies are generally subject to a review and approval process as described in the section "IIC Eligible Strategies".

IIC Eligible Strategies will include those strategies that meet Merrill Lynch's due diligence standards. As a general matter, we select IIC Eligible Strategies based on a variety of factors, including investment styles available in the marketplace, platform capacity, client demand, and the outcome of due diligence reviews. The initial and periodic reviews of IIC Eligible Strategies are performed through an investment review conducted by or under the auspices of personnel of the Merrill Lynch GWIM Chief Investment Office ("GWIM CIO") (see *Methods of Analysis, Investment Strategies and Risk of Loss* for further information). The GWIM CIO is a Merrill Lynch business group providing investment solutions, portfolio construction advice and wealth management guidance to Advisors and clients, and it is separate from the Merrill Lynch business group that administers IIC.

Your Designated Advisor and our Institutional Retirement Investments Team will use information from you through the IIC Questionnaire as well as your IPS to produce a list of candidates for an asset class based upon the IIC Eligible Strategy universe. This candidate list will be provided in the Manager Identification report. Upon specific written request of a client, for comparison purposes,



additional strategies may be included in the report where Merrill Lynch is not performing any due diligence, including the quality of the Investment Manager's service or prior performance. Merrill Lynch expresses no opinion about such strategy or Investment Manager and inclusion of the Investment Manager in the Manager Identification Service is not an endorsement or recommendation of the Investment Manager. Merrill Lynch will not assume any liability of any loss, claim, damage or expense attributable to your selection of an Investment Manager not covered in the IIC Eligible Strategy universe.

It is your responsibility to select and/or retain any of the strategies presented and negotiate directly with the Investment Manager the terms of any Investment Manager agreement, including applicable fees. Please note that you may determine to select an investment manager or strategy (or continue the use of an investment manager or strategy) without receiving a recommendation from Merrill Lynch, or notwithstanding the fact that such strategy has not been reviewed or recommended by us.

Your Institutional Performance Report, as described below, will highlight any investment managers or strategies that are not IIC Eligible Strategies and for which Merrill Lynch is not providing ongoing advice under the Program. Replacement recommendations of IIC Eligible Strategies will be provided by your Designated Advisor for any investment managers and strategies in a portfolio that have been determined not to meet Merrill Lynch's due diligence standards. (see *Advisory Business - Investment Performance Reporting* and see *Methods of Analysis, Investment Strategies and Risk of Loss - Status Change of IIC Eligible Strategies*). You may make investment-related decisions contrary to our recommendations however, if you repeatedly disregard our advice, we may, at our discretion and with notice to you, terminate you as an IIC client.

Investment Performance Reporting

Merrill Lynch will provide a periodic portfolio-level report called the Institutional Performance Report ("IPR") to assist you in monitoring your Actual Asset Allocation versus your Target Asset Allocation and the performance of your investment accounts. Your account returns are compared with the returns of selected market indices and other professionally managed investment accounts. Additionally, IPR provides an attribution analysis of the effect on performance of the Investment Manager's securities selections and asset allocation decisions. An assessment of the risk taken to achieve the returns is also presented. You should use the report to evaluate each of your Investment Managers and your Investment Manager's progress toward selected goals as well as adherence to your Target Asset Allocation as outlined in your IPS created through IIC (see *Investment Policy "IPS" Creation*).

We will rely upon the data supplied by your custodian or third-party manager in preparing the IPR and we are not responsible for the accuracy of this data. When special circumstances come to our attention, we reserve the right to make adjustments which, in our judgment, would more accurately reflect the value of securities held in, and the performance of, a particular account. We also use outside information sources including computer and data analysis firms. This information is obtained from sources believed to be reliable.

When making performance comparisons, you should note that:

- Differences in transaction costs among accounts will affect account comparisons; and
- The market indices shown in the IPR do not include transaction costs. If available, an actual investment in these indices, or in the securities comprising the indices, would



require an investor to incur transaction costs and performance would be reduced by such costs and their compounded effect.

Performance information from third-party sources may differ from that shown in the IPR. These differences may be due to different methods of analysis, different pricing sources, treatment of accrued income or different accounting procedures. For example, infrequently traded fixed-income securities may be priced according to yields calculated on a matrix system, which may vary among pricing sources. As another example, if sufficient data is available and the IPRs are prepared on a trade date basis, and their performance information may differ from reports prepared on a settlement date or other basis.

You should use the report to evaluate your Investments and progress towards your portfolio investment goals. Your Designated Advisor will be available to assist you in understanding the format and content of the report, which includes graphic and tabular presentations of performance, and will assist you in reviewing and evaluating the reports.

You shall have the responsibility to review such information, reports or statements provided on a periodic basis in the normal course of the delivery of services by Merrill Lynch through web access. You are responsible for accessing the provided information through web delivery means, including the establishment of user ID's and passwords.

4. Limitation of Services

Universe of Investment Managers and Strategies – Investment managers or strategies recommended for your portfolio are limited to the IIC Eligible Strategies. Our recommendations therefore will not include every investment option available in the industry.

Bank of America Affiliated Products - Bank of America or Merrill Lynch affiliated mutual funds or other products (including, without limitation, and deposit products) will not be presented as IIC Eligible Strategies. In the event you were ever to include any Bank of America or Merrill Lynch affiliated fund or product in your portfolio, it would be solely upon your own initiative without any responsibility by Merrill Lynch or any affiliate and, you understand and agree that, with respect to any such investments: (i) Merrill Lynch does not and will not act in a fiduciary capacity under ERISA (or otherwise) with respect to the decision to select or maintain the portfolio's holding of such affiliated investments, and has not and will not recommend to you any purchase, sale or retention of such investments under the Client Agreement or otherwise in connection with the Program, and (ii) with respect to any such portfolio assets that are now, or hereafter invested in any Bank of America or Merrill Lynch affiliated mutual funds or products, that the terms of Merrill Lynch's engagement will not cover such investments. Without limiting the generality of the immediately foregoing, Merrill Lynch may provide periodic investment performance reporting for any such affiliated investments, which you agree is not a fiduciary act of Merrill Lynch.

Excluded Assets ("Excluded Assets") - Include, but are not limited to, real property, loan accounts, illiquid assets, and limited partnerships. Excluded assets are not subject to the Client Agreement and therefore will not be a part of any ongoing review.

5. Termination

The Client Agreement may be terminated at any time by you or Merrill Lynch by giving notice as described in the Client Agreement.



6. Qualifications of Designated Advisors

Designated Advisors are registered as broker-dealer and investment adviser representatives. To become designated to provide IIC, Financial Advisors are generally required to demonstrate specialized experience and meet certain qualification requirements. These requirements may include the (1) Certified Investment Management Analyst® (CIMA) certification through the Investment Management Consultants Association® or the (2) Chartered Financial Analyst® credential through the CFA Institute. In addition, Financial Advisors must complete training administered by Merrill Lynch. Those who meet Merrill Lynch's criteria may be designated to provide IIC services.

7. Other Investment Advisory Programs

In addition to IIC, Merrill Lynch offers a wide variety of advisory services. These include, but are not limited to, the following: Merrill Lynch Defined Contribution Investment Consulting Services, Merrill Lynch Fiduciary Advisory Services, Merrill Lynch Advice Access, Merrill Lynch Investment Advisory Program, Merrill Edge Guided Investing, Merrill Edge Advisory Account, and Merrill Lynch Strategic Portfolio Advisor® Service. We also offer general information not directed to and not tailored to the specific needs of any individual or individual clients in the form of publications or research. In addition, we offer financial planning services, including (but not limited to) Wealth Management Analysis Report. More information about these programs and services is contained in the applicable Merrill Lynch Brochure (or Merrill Lynch Form ADV, Part 2A) and is available upon request or through the SEC's website at http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx. Special arrangements with certain clients to provide particular or unique services for clients of a specific Financial Advisor or branch office may also be established.

C. ASSETS UNDER MANAGEMENT

As of March 31, 2017, Merrill Lynch had assets under management of \$686.82 billion, of which \$227.12 billion was managed on a discretionary basis and \$459.70 billion was managed on a non-discretionary basis.

Merrill Lynch financial planning services, are not included in this data.

FEES AND COMPENSATION

A. PROGRAM FEES

For services provided in the Program, IIC clients will pay a Program fee. The Program fee will equal an annual fixed dollar amount or an annual amount resulting from an annual asset-based fee rate applied to certain portfolio assets. The Program fee is subject to a Program minimum and maximum annual fee amount. The Program minimum annual fee amount is \$1,500. The Program maximum annual fee amount is an amount resulting from an annual asset-based fee rate of 0.45% of portfolio assets less any Excluded Assets (defined below).

The fee for IIC may be negotiated with your Designated Advisor depending on a number of factors. The extent to which we may negotiate the fee for IIC is solely within our discretion. In general, all fees are payable quarterly, in arrears (except as described below).



B. CALCULATION OF PROGRAM FEES

The following describes the calculation of Program fees for IIC.



Asset-Based Fee Rate

Asset-based fees are calculated and payable quarterly, in arrears, based on the market value of last business day of each calendar quarter as displayed in the IPR, less any Excluded Assets. The fee rate applied will be one quarter of the annual asset-based fee rate.

Excluded assets include, but are not limited to real property, loan accounts, illiquid assets, and limited partnerships. Merrill Lynch reserves the right to designate assets as Excluded Assets. Merrill Lynch will not be an investment adviser or take any fiduciary responsibility with respect to Excluded Assets.

Fixed Dollar Fee

Fixed fee payments equal to one quarter of the agreed upon annual fee are generally due quarterly, in arrears.

1. Initial Billing of Program Fees

For all clients, for the first quarter in which the Client is enrolled in IIC, the fees charged will be calculated on a pro-rata basis, based on the number of calendar days enrolled during the quarter.

2. Billing Upon Termination of Service

For all clients, in the event of termination, the Program fees payable hereunder shall be prorated based upon the effective date of termination.

For additional information, see *Advisory Business- Institutional Investment Consulting - Termination* section.

C. INVOICES

Merrill Lynch will provide you with a quarterly invoice for your IIC fee.

D. OTHER FEES AND EXPENSES

The Program fee only covers the IIC services described in this Brochure.

For further information, see *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Conflicts of Interest and Information Walls* below.

E. COMPENSATION FOR THE SALE OF SECURITIES

We and our employees, including your Designated Advisor, benefit from the compensation paid to us, and may directly or indirectly receive a portion of the fees and other compensation paid by IIC clients for other services.

Such clients may also use other products or services available from or through us for assets not covered by the Client Agreement and in such case pay additional compensation. Designated Advisors offering these other services may receive compensation from Merrill Lynch. This practice creates a potential conflict of interest that may give us and our Financial Advisors an incentive to recommend advisory services based on the compensation received. Fees and commissions may also be higher



for some products or services, and the remuneration and profitability to us and our Financial Advisors resulting from transactions on behalf of our management of certain accounts may be greater than the remuneration and profitability resulting from other advisory accounts, products or services.

Our Designated Advisors are required to recommend investment advisory programs, investment products and securities that are suitable for you based upon your investment objectives, risk tolerance and financial situation and needs. In addition, we have adopted policies and procedures to address the suitability of advisory products offered to our clients.

F. SOURCES OF REVENUE

As a broker-dealer, Merrill Lynch offers a wide variety of products and services. Our principal sources of income, which include commissions and other compensation for the sale of investment products, are derived from our business as a broker-dealer. Less than 1% of our gross revenues are expected to be generated from IIC on an annual basis.

G. CONDUCTING BUSINESS THROUGH MERRILL LYNCH

You should discuss the investment advisory services we make available with your Designated Advisor to determine which may be most appropriate for you. Program fees may be higher or lower than the fees charged by other firms for comparable services, assuming such services are available.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Neither we nor our Designated Advisors receive performance-based fees for IIC. The investment recommendations provided in connection with IIC do not raise the conflicts associated with the side-by-side management of accounts.

TYPES OF CLIENTS

IIC is typically clients generally include charitable organizations, pension and profit sharing plans, corporations, high net worth individuals, trusts, and estates.

REQUIREMENTS FOR OPENING A CLIENT ACCOUNT

IIC is typically available for clients with \$20 million or more in assets. The minimum can be waived, at our sole discretion.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. IIC ELIGIBLE STRATEGIES

IIC Eligible Strategies are investment managers and strategies that meet Merrill Lynch's due diligence standards that may be used by Merrill Lynch and the Designated Advisor to make recommendations for your portfolio. From time to time Merrill Lynch may make additional investment strategies available in the IIC Eligible Strategies. Final selection of all investment strategies for your portfolio will be made solely by you.



As a general matter, Merrill Lynch selects IIC Eligible Strategies based on a variety of factors, including investment styles available in the marketplace, platform capacity, client demand, and the outcome of due diligence reviews. You should discuss with your Designated Advisor which investment strategies are appropriate for your portfolio.

1. Review Process

The initial and periodic reviews of IIC Eligible Strategies are performed through an investment review conducted by or under the auspices of personnel of the GWIM CIO. The GWIM CIO is a Merrill Lynch business group providing investment solutions, portfolio construction advice and wealth management guidance to Designated Advisors and clients, and it is separate from the Merrill Lynch business group that administers the Program.

The initial and periodic review is conducted through Merrill Lynch's proprietary processes, including those conducted by the GWIM CIO, or through those provided by third-party reviewers, which Merrill Lynch has engaged for this purpose (such review processes, including those provided by third-party reviewers are referred to as the ("GWIM CIO Review Process"). The services provided by third parties as part of the GWIM CIO Review Process are generally consistent with the multi-factor processes described below, but they are not identical. The third parties may use different factors in evaluating investment strategies, or may assign different weightings to the same factors. However, Merrill Lynch, through the GWIM CIO, has reviewed such third-party reviewers' processes and believes they are reasonable and appropriate in light of the objectives of the Program.

The initial and periodic review of investment managers and strategies, whether conducted by Merrill Lynch or a third party, is subject to a multi-factor process. Merrill Lynch retains the decision-making authority to add or remove an investment manager and strategy from the IIC Eligible Strategies.

The Review Process generally considers the following factors:

- Organizational structure and stability of a fund manager
- Adherence to investment style
- Evaluation of risk and volatility
- Investment professional and strategy resources
- Investment philosophy and process
- Portfolio construction
- Performance
- Operating and administrative capability.

Based on these factors and using the information collected, both quantitative and qualitative analytical methods may be used in the context of the GWIM CIO Review Process to review and select investment managers and strategies. Some of the analytical methods may be subjective. Different weightings may be assigned to each of the factors considered and generally no single factor will be determinative as to whether a particular investment strategy is offered. Further, Merrill Lynch may replace one or more factors with a different factor that Merrill Lynch reasonably believes is suitable and appropriate.

These reviews, including those conducted through the GWIM CIO Review Process, may be accomplished through various means, including, but not limited to, in-person visits, telephone conference calls, reviews of performance, and updates of certain investment strategy documents



and information. Merrill Lynch does not perform audits of the investment strategies to verify past performance information.

For each investment manager or strategy, Merrill Lynch will periodically, but no less frequently than annually, evaluate factors related to the investment manager and strategy that Merrill Lynch deems appropriate, including those factors listed above (except certain mutual funds not subject to the GWIM CIO Review Process). These reviews may occur as part of the GWIM CIO Review Process or otherwise. In addition, Merrill Lynch will evaluate on an as needed basis, as determined by the GWIM CIO or by Merrill Lynch, any material change related to such investment manager or strategy and the impact of any such changes including on the investment advisers managing the assets.

B. INFORMATION AVAILABLE TO DESIGNATED ADVISORS REGARDING IIC ELIGIBLE STRATEGIES

Merrill Lynch makes available to Designated Advisors through regular or ad hoc internal publications or communications information reflecting our internal opinions and views with respect to investment managers and strategies. All such information is available to your Designated Advisor in considering whether a particular strategy is appropriate for your portfolio. You should discuss with your Designated Advisor any questions you may have about our views with respect to a particular strategy.

C. STATUS CHANGE OF IIC ELIGIBLE STRATEGIES

If your portfolio contains investment managers and strategies that no longer meet Merrill Lynch's due diligence standards for inclusion as an IIC Eligible Strategy, your investment performance report will highlight those ineligible strategies. Your Designated Advisor will provide recommendations of IIC Eligible Strategies to replace any investment managers and strategies that no longer meet Merrill Lynch's due diligence standards.

IIC Eligible Strategies may change at any time. Merrill Lynch will generally not provide specific information regarding the basis for a change.

Note that not all investments managers and strategies recommended for other Merrill Lynch clients outside of this Program will be included as IIC Eligible Strategies, and vice versa.

Merrill Lynch's review of your portfolio's investment managers and strategies is not a substitute for your continued review of your portfolio and the performance of your investment strategies.

D. RISKS ASSOCIATED WITH CERTAIN INVESTMENTS

You should understand that all investments involve risk (the degree of risk may vary significantly), that investment performance can never be predicted or guaranteed and that the values of the portfolio's assets will fluctuate due to market conditions, and other factors. Merrill Lynch makes no representations or warranties with respect to the present or future level of risk or volatility in your portfolio's, strategies, Mufual Fund's, or investments' future performance or activities. There is no assurance that the performance results of any benchmark or index used in connection with IIC, including those shown on the performance report or other Merrill Lynch reports, can be attained. Nor is there any guarantee that our Manager Search process will identify the best performing investment managers and strategies in their respective competitive universe. You are assuming the risks



involved in selecting investment strategies for the portfolio and the portfolio could lose all or a portion of the amount held in those investment strategies.

Typically, Merrill Lynch recommends that a client seek a diversified portfolio in an effort to meet the portfolio's investment objectives and have investments diversified across multiple asset classes in order to reduce investment risk associated with concentrated investments.

For specific risks associated with the investments in your portfolio, you should consult with the relevant Manager you select to manage the account.

IMPORTANT CLIENT RESPONSIBILITIES

For the various services described herein, you are asked to complete a questionnaire or other form that elicits various types of information. You are responsible for providing accurate and complete information, and failure to do so could significantly affect the services that we provide. Further, you are obligated to notify your Designated Advisor promptly of any material change in financial circumstances or investment objectives or investment restrictions (if any) that may affect the asset allocation, IPS, or other Program Services provided by Merrill Lynch.

By participating in IIC you represent and confirm that: (i) you have sole and final responsibility for selecting all investment managers and strategies for inclusion in your portfolio; and (ii) you have determined that these services and fees are reasonable, necessary and suitable in relation to your portfolio.

You have also concluded that participation in IIC is prudent and shall determine, in your own discretion, that each investment manager and strategy included in the portfolio is suitable. You will use best efforts to notify Merrill Lynch if any of the foregoing representations become inaccurate or if the identity of any of the portfolio's named fiduciaries or authorized persons with respect to this relationship changes. Such notification must be made in writing to your Designated Advisor. In no event shall Excluded Assets be included as assets subject to the Client Agreement.

You should understand that our services described above should not substitute for or diminish the careful deliberation and determination made by those fiduciaries having responsibility for management and administration of the portfolio, following appropriate consultation with your other professional advisers and the review of relevant documentation.

RELATED PERSONS

In addition, other Bank of America Affiliates or divisions, such as U.S. Trust, Bank of America Private Wealth Management, offer their own managed products or wrap programs that are similar to this or other Merrill Lynch 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 advice related to the recommendation of certain investment managers. This is due to, among other things, the differing nature of the Affiliate's investment advisory services and differing processes and criteria upon which determinations are made. For example, Merrill Lynch may recommend a specific investment manager for inclusion in a U.S. Trust program, but not in a Merrill Lynch program.

DISCIPLINARY INFORMATION



In the past, we have entered into certain settlements with our regulators and other third parties and have been the subject of adverse legal and disciplinary events. Below are summaries of certain events that may be material to your decision of whether to retain us for your investment advisory needs. Please note that certain disclosures discuss disciplinary events associated with Banc of America Investment Services, Inc. ("BAI") and Banc of America Securities LLC ("BAS"). BAI merged with Merrill Lynch on October 23, 2009, and BAS merged with Merrill Lynch on November 1, 2010. In addition to the descriptions below, you can find additional information regarding these settlements in Part 1 of Merrill Lynch's Form ADV at http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx.

On June 16, 2014, Merrill Lynch, without admitting or denying the findings, entered into an AWC with FINRA. The AWC related to Merrill Lynch's failure to have an adequate supervisory system to ensure that certain clients received Class A shares with sales charge waivers when purchasing certain mutual funds. As a result, those clients paid sales loads when purchasing Class A shares, or purchased Class B or C shares with higher expenses, during various periods. The clients included those having two types of retirement accounts and another type of client in brokerage accounts offered by Merrill Lynch. Merrill Lynch reported certain of these issues to FINRA and all impacted clients have been or are in the process of being reimbursed as set forth in the AWC. Merrill Lynch consented to the imposition of a censure and a fine of \$8 million, and agreed to provide additional reimbursement to impacted clients as set forth in the AWC.

On June 21, 2012, Merrill Lynch, without admitting or denying the findings, entered into an AWC with FINRA related to the following five issues: (1) Merrill Lynch failed to have an adequate supervisory system to ensure that clients in certain investment advisory programs were billed in accordance with applicable contract and disclosure statements, and, as a result, overcharged certain client accounts unwarranted fees from April 2003 to December 2011; the client accounts impacted were less than 5% of Merrill Lynch's total advisory accounts, and the fees overcharged represented less than one-half of 1% (\$32,174,369) of the total advisory fees billed during that period; all impacted clients have been reimbursed; (2) between July 2006 and November 2010, Merrill Lynch failed to send contemporaneous and/or periodic trade confirmations to certain client accounts for ten investment advisory programs; (3) between 1992 and June 2011, Merrill Lynch did not include or accurately state whether Merrill Lynch acted as an agent or a principal on trade confirmations and account statements relating to certain mutual fund transactions; (4) between 2007 and 2010, Merrill Lynch, either directly or through third-party vendors, failed to deliver proxy materials to certain clients or to their designated investment advisers, and to have an adequate supervisory system to detect its failure to deliver proxies; the clients impacted constituted less than 1% of Merrill Lynch's clients during that period; and (5) between October 2001 and June 2010, Merrill Lynch failed to send margin risk disclosure statements and/or business continuity plans to certain clients upon the opening of their accounts; the clients impacted constituted less than 1% of Merrill Lynch's clients during that period. In determining the appropriate sanctions, FINRA considered Merrill Lynch's internal review through which it identified the violations, the remedial measures that Merrill Lynch took to correct its systems and procedures, and Merrill Lynch's efforts to provide remediation to affected clients. Merrill Lynch consented to the imposition of a censure and a fine of \$2.8 million.

On October 4, 2011, Merrill Lynch entered into a consent agreement with FINRA regarding the following events. FINRA alleged that Merrill Lynch failed to have a supervisory system to ensure that all accounts in which an employee either had a financial interest or over which the employee had control were monitored and reviewed for potential misconduct. In addition, FINRA found that Merrill



Lynch failed to establish, maintain and enforce written procedures to adequately supervise a registered representative who was subsequently found to have used a business account at the firm to implement a fraudulent scheme. Without admitting or denying the findings, Merrill Lynch consented to the entry of findings, a censure, and a fine of \$1,000,000.

On June 6, 2009, the United States District Court for the Southern District of New York entered a judgment enjoining BAI and BAS from violating, directly or indirectly, Section 15(c) of the Exchange Act. The SEC had filed a complaint alleging that BAI and BAS misled customers regarding the fundamental nature and increasing risks associated with auction rate securities ("ARS") underwritten, marketed and sold by BAS and BAI and that by engaging in such conduct, BAI and BAS had violated Section 15(c) of the Exchange Act. Without admitting or denying the allegations, BAI and BAS entered into a consent, whereby they agreed to a series of undertakings designed to provide relief to "individual investors" (as defined in the consent) including: (1) through their Affiliate, offering to purchase at par from individual investors certain ARS; (2) agreeing to use reasonable efforts to identify individual investors who sold certain ARS below par, and to pay such investors the difference between par and the price at which they sold the securities; (3) agreeing to participate in a special arbitration process for the purpose of arbitrating any individual investor's consequential damage claim related to its investment in ARS; (4) agreeing to refund certain refinancing securities through the firms; and (5) undertaking to make their best efforts to work with issuers and other interested parties to seek to provide liquidity solutions for institutional investors that are not considered "individual investors." Two similar regulatory actions involving the marketing and sale of ARS occurred on January 10, 2012: (1) Merrill Lynch (as successor by merger to BAS and BAI, the "Respondents") agreed to a settlement with the Illinois Securities Department (the "Department"); and (2) Merrill Lynch agreed to a settlement with the North Carolina Department of the Secretary of State, Securities Division (the "Division"). In both actions, it was alleged that inappropriate marketing and sales of ARS occurred without adequately informing certain customers of the increased risks of illiquidity associated with ARS. Both the Department and the Division of the respective states alleged that, through the aforementioned conduct, there occurred dishonest and unethical practices in the offer and sale of securities and failure to supervise agents resulted. In the Illinois action, the Respondents agreed, among other things, to repurchase at par certain illiquid ARS held by certain clients of Merrill Lynch. Additionally, the Respondents agreed to pay a total fine of \$1,578,320.87 to the State of Illinois representing Illinois's portion of a total civil penalty of \$50,000,000 that will be distributed among the states and U.S. territories that enter into similar administrative or civil consent orders related to ARS. With respect to the North Carolina action, Merrill Lynch agreed, among other things, to repurchase at par certain illiquid ARS held by certain clients of Merrill Lynch. Additionally, Merrill Lynch agreed to pay a total fine of \$3,193,552.24 to the Division representing its portion of a total civil penalty of \$125,000,000 that will be distributed among the states and U.S. territories that enter into similar administrative or civil consent orders related to ARS.

On March 11, 2009, the SEC issued an order against Merrill Lynch alleging that from 2002 to 2004, several Merrill Lynch retail brokers permitted day traders to hear confidential information regarding Merrill Lynch institutional customers' unexecuted orders as they were transmitted over Merrill Lynch's squawk box system. According to the SEC, Merrill Lynch lacked written policies or procedures to limit access to the equity squawk box, to track which employees had access to the equity squawk box or to monitor employees' use of the equity squawk box in violation of Section 15(f) of the Exchange Act and Section 204A of the Advisers Act. Without admitting or denying the SEC's findings, Merrill Lynch consented to the entry of the order that: (1) found violations of Section 15(f) of the Exchange Act and Section 204A of the Advisers Act for allegedly failing to maintain written



policies and procedures reasonably designed to prevent the misuse of customer order information; (2) required that Merrill Lynch cease and desist from committing or causing any future violations of the provisions charged; (3) censured Merrill Lynch; (4) imposed a \$7,000,000 civil money penalty; and (5) required Merrill Lynch to comply with certain undertakings regarding the enhancement of certain policies and procedures.

On January 30, 2009, the SEC issued an order against Merrill Lynch regarding the Merrill Lynch Consulting Services program and the offering of those services through a Florida branch office for a period of several years concluding in 2005. The Order found that material misrepresentations had been made and certain conflicts of interest not disclosed, and that Merrill Lynch had not maintained adequate records or reasonably supervised certain Florida investment advisory representatives. Without admitting or denying the non-jurisdictional findings thereof, Merrill Lynch consented to a censure, to cease and desist from violations of sections 204 and 206(2) of the Advisers Act and Rule 204-2(a) (14) there under, and a fine of \$1,000,000. In accepting the settlement, the SEC noted the voluntary and significant remedial acts promptly undertaken by Merrill Lynch.

On May 1, 2008, the SEC issued an administrative order in which it found that BAI had willfully violated Sections 17(a)(2) and 17(a)(3) of the Securities Act, Sections 206(2), 206(4) and 207 of the Advisers Act and Advisers Act Rule 206(4)-1(a)(5) for failing to disclose to clients that in selecting investments for discretionary mutual fund wrap fee accounts, it favored two mutual funds affiliated with BAI. In the Order the SEC also found that Columbia Management Advisors, LLC ("Columbia Management"), as successor in interest to Banc of America Capital Management, LLC willfully aided and abetted and caused BAI's violations of Sections 206(2) and 206(4) of the Advisers Act, and Advisers Act Rule 206(4)-1(a)(5). In the order, BAI and Columbia Management were censured and ordered to cease and desist from committing or causing such violations and future violations. In addition, BAI was ordered to pay disgorgement plus prejudgment interest in the aggregate amount of \$793,773.00 to certain entities specified in the Order, and a civil monetary penalty of \$2,000,000; and Columbia Management was ordered to pay disgorgement plus prejudgment interest in the aggregate amount of \$516,382 to certain entities specified in the Order, and a civil monetary penalty of \$1,000,000. BAI and Columbia Management consented to the Order without admitting or denying the SEC's findings. BAI also agreed to certain undertakings contained within the Order.

On February 14, 2008, Merrill Lynch consented to an AWC issued by FINRA. FINRA alleged that from at least January 2001 until January 2006, as a result of certain operational and supervisory deficiencies Merrill Lynch failed to timely and consistently update the firm's record system relating to certain investment advisory and fee-based accounts. When clients change investment advisers or terminated enrollment in certain investment advisory or fee-based accounts, Merrill Lynch failed to consistently make changes in account proxy delivery addresses and/or remove traits that suppressed trade confirmation delivery in the firm's record systems. Additionally, Merrill Lynch failed to maintain written supervisory procedures and a reasonable system of follow-up and review with respect to such operational changes. Without admitting or denying the findings, Merrill Lynch consented to a censure and a fine of \$175,000.

On March 4, 2005, Merrill Lynch entered into a consent order with the State of New Jersey Office of the Attorney General Department of Law and Public Safety and the New Jersey Bureau of Securities ("Attorney General"). The Attorney General alleged: (1) market timing conduct by three Merrill Lynch Financial Advisors engaged in market timing on behalf of their principal client, a hedge fund and that despite warnings from supervisors that they were violating Merrill Lynch's policies, the Financial Advisors continued to market time for the client until they were fired in October 2003, using among



other things, multiple accounts and undisclosed agreements to conduct and disguise their trading; (2) that Merrill Lynch failed to adequately supervise certain activities in connection with the conduct described above including failure to keep adequate books and records in violation of the Exchange Act and New Jersey law; and (3) the client entered into variable annuity contracts and certain other variable life insurance contracts with certain non-proprietary insurance carriers through the Financial Advisors to engage in short term trading in the investment sub-accounts of these products and although the client's reallocation instructions were relayed through the Financial Advisors to the insurance companies, Merrill Lynch gave no specific instruction to the Financial Advisors concerning the reallocation of the underlying sub-accounts of variable products; and (4) that Merrill Lynch failed to adequately enforce its established policy prohibiting market timing. Without admitting or denying the findings in the order, Merrill Lynch agreed to pay a civil monetary penalty of \$10 million and to certain undertakings including implementation of new procedures to maintain, as a required book and record under New Jersey and federal securities laws, records of all client reallocation requests made through a Merrill Lynch employee that involve mutual funds held as sub-accounts of variable annuity products of outside insurance carriers.

On February 9, 2005, pursuant to an offer of settlement by BAS in which it neither admitted nor denied the findings, the SEC issued an administrative order. The SEC found that from July 2000 through July 2003, BAS, Banc of America Capital Management, LLC ("BACAP") and BACAP Distributors, LLC ("BACAP Distributors") facilitated market timing and late trading by some introducing broker-dealers and a hedge fund at the expense of shareholders of Nations Funds and other mutual fund families, provided account management tools and other assistance, and enabled introducing broker-dealers to conceal their client's market timing activities from mutual funds. In the order, BAS was: (1) censured; (2) ordered to cease and desist from committing or causing any present or future violations of 17(a) of the Securities Act, 10(b), 15(c) and 17(a) of the Exchange Act and Rules 10b-5, 15c1-2, and 17a-4 there under and Rule 22c-1, as adopted under 22(c) of the Investment Company Act, and from causing any present or future violations of 34(b) of the Investment Company Act and 206(1) and 206(2) of the Advisers Act; (3) ordered to pay, jointly and severally with BACAP and BACAP Distributors \$250 million in disgorgement plus a civil monetary penalty of \$125 million. BAS also agreed to comply with certain undertakings including: (1) maintaining a compliance and ethics oversight infrastructure having, among other things, a code of ethics oversight committee, an internal compliance controls committee, a senior level compliance officer for conflicts of interest and a corporate ombudsman; (2) retaining an independent compliance consultant to, among other things, review compliance, supervisory and other policies and procedures and adopt such procedures; (3) undergoing third party compliance review every other year; and (4) retaining an independent distribution consultant.

On April 28, 2003, as part of a joint settlement with the SEC, NYSE and NASD arising from a joint investigation by the SEC, NYSE and NASD into research analysts' conflicts of interest, Merrill Lynch, without admitting or denying the allegations of the complaint filed by the SEC, consented to the entry of a final judgment ("Final Judgment"). Pursuant to the settlement, which was entered on October 31, 2003 and modified on March 15, 2010, Merrill Lynch: (1) was permanently enjoined from violating Section 15(c) of the Exchange Act and Rule 15c1-2 there under, NASD Conduct Rules 2110, 2210 and 3010, and NYSE Rules 342, 401, 472 and 476; (2) was ordered to pay a penalty of \$100,000,000, which was deemed satisfied by prior payments to the states in a related proceeding; (3) was ordered to pay substantial amounts for third party research and investor education; and (4) was ordered to comply with certain additional undertakings. In a related disciplinary event, Merrill Lynch (as successor by merger to BAS) entered into an amended offer of settlement with the SEC on



October 9, 2012. The settlement stems from an SEC Order dated March 14, 2007 against BAS (the “2007 BAS Order”) claiming that BAS investment bankers inappropriately influenced equity research analysts, resulting in the publication of materially false and misleading research during the period of January 1999 through December 2001. The 2007 BAS Order censured BAS and ordered BAS to: (i) cease and desist from committing or causing any violations or future violations of Section 15(c) and 15(f) of the Exchange Act, and Rule 15c1-2(a); (ii) pay \$26 million in disgorgement and penalties into a fair fund for distribution to its affected customers; (iii) retain an independent consultant to conduct a comprehensive review of the firm’s internal controls to prevent the misuse of material nonpublic information concerning BAS research; (iv) certify to the SEC’s staff in the second year following the issue of the 2007 BAS Order that BAS had established and continued to maintain Exchange Act Section 15(f) policies, practices, and procedures consistent with the findings of the 2007 BAS Order; and (v) comply with Addendum A to the 2007 BAS Order, which implemented certain structural changes to the operations of the firm’s equity research and investment banking departments. In the Merrill Lynch action, the District Court, on March 15, 2010, modified Addendum A to the October 31, 2003 Final Judgment by, among other things, removing similar provisions that remained in Addendum A to the 2007 BAS Order. The 2007 BAS Order, which remains in effect and binding on Merrill Lynch (as successor by merger to BAS), was modified on October 9, 2012, to strike Addendum A and provide that Merrill Lynch analysts, including ex-BAS analysts, must comply with the Final Judgment.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Merrill Lynch, an indirect wholly-owned subsidiary of Bank of America, is a leading global investment banking firm, registered broker-dealer, and investment adviser. In the United States, Merrill Lynch acts as a broker (i.e., agent) for corporate, institutional and governmental and private clients and as a dealer (i.e., principal) in the purchase and sale of corporate securities, primarily equity and debt securities traded on exchanges or in the over-the-counter markets. Merrill Lynch also acts 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. The futures business and foreign exchange activities are conducted through Merrill Lynch and other Affiliates. Merrill Lynch 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. As a registered investment adviser, Merrill Lynch completes a Form ADV, which contains additional information about itself, Bank of America and their Affiliates. Information is available through publicly available filings at the SEC or at http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx.

For purposes of Form ADV Part 2, certain Merrill Lynch management persons are registered as registered representatives or associated persons of Merrill Lynch. In the future, certain Merrill Lynch 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.

Bank of America, 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: securities brokerage, trading and underwriting; investment banking, strategic advisory services (including mergers and acquisitions) and other corporate finance activities; wealth management products and services



including financial, retirement and generational planning; asset management and investment advisory and related record-keeping services; origination, brokerage, dealer and related activities in swaps, options, forwards, exchange-traded futures, other derivatives, commodities and foreign exchange products; securities clearance, settlement financing services and prime brokerage; private equity and other principal investing activities; proprietary trading of securities, derivatives and loans; banking, trust and lending services, including deposit-taking, consumer and commercial lending, including mortgage loans, and related services; insurance and annuities sales and 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. Bank of America is subject to the reporting requirements of the Exchange Act and additional information about Bank of America can be found in publicly available filings with the SEC.

We, through our Financial Advisors, may suggest or recommend that clients, including Program clients, use Merrill Lynch's securities account, execution, and custody or other services, or such services of an Affiliate. Similarly, Financial Advisors, who also handle clients' securities accounts, may suggest or recommend that clients purchase Merrill Lynch's products or products of an Affiliate. Where you use or purchase Merrill Lynch's or our Affiliate's services or products, we and our Affiliates will receive fees and compensation. Financial Advisors may, as permitted by applicable law, receive compensation (the amount of which may vary) in connection with these products and services.

Merrill Lynch may have business relationships with the officers, directors, or employees of a variety of clients, including corporations, pension and retirement plans, and other entities receiving IIC. These business arrangements may create a conflict of interest to the extent that these individuals have any role or influence in the hiring or retention of Merrill Lynch and its Financial Advisors or with respect to their compensation. It is the responsibility of the IIC client to determine whether any such Merrill Lynch business relationship creates a conflict of interest, to implement appropriate policies and procedures for the disclosure and handling of such matters and to resolve any such conflicts in its best interest.

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

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. CONFLICTS OF INTEREST AND INFORMATION WALLS

Merrill Lynch is an indirect wholly-owned subsidiary of Bank of America. Bank of America engages in a wide range of activities and businesses across a broad spectrum of clients. As a result, we recognize actual, potential and perceived conflicts of interest may develop in the normal course of operations in various parts of the Bank of America organization. To address these potential conflicts, information walls are in place to allow multiple businesses to engage with the same or related clients at the same time while mitigating the conflicts which may arise 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 Bank of America possess material nonpublic information. Additionally, Bank of America maintains a Code of Ethics 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 Bank of America's risk management process. We believe that no organization can totally eliminate conflicts that exist explicitly or implicitly. Bank of America, including Bank of America Merrill Lynch's investment advisory business, 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 them.

B. CODE OF ETHICS

We have 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. 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 we follow 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;
- Reporting and/or clearance of employee personal trading;
- Prevention of misuse of material nonpublic information; and
- Obligation to report possible violations of the Code of Ethics to management or other appropriate personnel.

All covered personnel must certify to receipt of the Code of Ethics. We will provide a copy of each of the Code of Ethics to you upon request.

We also have 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 our securities transactions and have implemented procedures for monitoring these transactions as well as those of all employees.

C. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

We, our Affiliates and employees benefit from the fees and charges you pay for the IIC. You may also use other products or services available from or through us and, in such case, pay additional compensation. Financial Advisors offering these services and providing ongoing assistance to you will, in turn, receive compensation from us.

As noted above, you are not obligated to implement any of the IIC recommendations or to trade through Merrill Lynch. Similarly, you may determine to use our new or additional products and services. In such cases, we and our Financial Advisors will benefit from the additional compensation paid or generated from the above.



D. SECURITIES TRADING BY MERRILL LYNCH AND OUR 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 may 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 IIC clients, which may differ from that given or taken with regard to other clients. This includes the advice given or actions taken with respect to certain securities or investment managers. In some instances, the actions taken by Affiliates for similar services and programs may 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.

Many of the conflicts related to participation or interest in client transactions and personal trading are less pronounced in the context of the IIC because Designated Advisors do not make specific securities recommendations or analyze particular securities.

We have established a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest – both those arising between and among client accounts as well as between client accounts and our business. For example, our personnel also are subject to personal trading restrictions as detailed in our policies and procedures and Code of Ethics. These policies and procedures and the Code of Ethics require our Financial Advisors to obtain pre-approval for certain securities transactions, disclose their investment accounts, and provide or cause Merrill Lynch to receive annual holdings reports and quarterly transaction reports.

BROKERAGE PRACTICES

The IIC Program does not make specific securities recommendations or analyze particular securities, other than the funds and other investment vehicles to be considered for your portfolio.

REVIEW OF ACCOUNTS

An important part of the Program relationship involves providing you with the opportunity to engage in periodic reviews with your Designated Advisor. These reviews provide updates on the progress of your Portfolio towards your goals and other important information about your portfolio. Because these reviews provide you with important and necessary information relating to your portfolio, you are strongly encouraged to take advantage of these opportunities to participate in these reviews.

As part of IIC, we will provide you with periodic written reports containing returns and other reasonable statistical performance analyses. Your Designated Advisor shall be made reasonably available to assist you in reviewing and evaluating the reports on the portfolio provided through IIC.

Any review we perform does not substitute for your continued review of your reports or accounts.

CLIENT REFERRALS AND OTHER COMPENSATION

A. COMPENSATION FOR CLIENT REFERRALS

Merrill Lynch has not entered into any client referral arrangements with third parties in connection with referrals of clients to IIC.



B. OTHER COMPENSATION

1. Event Payments from Fund Providers

Some third-party vendors, including third party managers, distributors, and insurance companies, will periodically participate in Merrill Lynch- or affiliate-hosted internal training and education conferences, as well as conferences that Merrill Lynch or affiliates may host for clients. The amount paid for participation is used to offset the expenses incurred for these events and cannot be reasonably allocated to any particular plan client. The amount paid by any third party vendor may vary. Note that the level of vendor support is not dependent or related to the level of assets invested by you or any other of our clients in or with the products or services of the particular vendor. Neither Merrill Lynch nor its affiliates incentivize Financial Advisors to recommend one vendor's products over another vendor. For a list of those vendors, please contact us.

2. Gifts and Other Non-Monetary Compensation

From time to time, third-party vendors (such as mutual fund companies, broker-dealers, etc.) may provide Merrill Lynch with non-monetary gifts and gratuities, such as promotional items (e.g., coffee mugs, calendars or gift baskets), meals and access to certain industry related conferences (collectively, "gifts"). Merrill Lynch has implemented policies and procedures intended to identify, quantify and track gifts that Merrill Lynch receives. Merrill Lynch will report gifts received by it or its employees to the extent such amounts exceed the DOL de minimis thresholds for any plan. The determination of whether the gifts that we receive exceed the de minimis threshold is made by Merrill Lynch after examining the gifts recorded each year and the value of the recorded gifts as may be attributable to a qualified retirement plan client under the DOL rules. Based on historic trends, Merrill Lynch does not expect to receive gifts in excess of the de minimis threshold under the regulations with respect to your portfolio.

CUSTODY

We do not require client funds and securities to be maintained with a related custodian in connection with IIC.

INVESTMENT DISCRETION

We do not accept discretionary authority in connection with IIC.

VOTING CLIENT SECURITIES

IIC does not involve voting proxies on the client's behalf.

FINANCIAL INFORMATION

Not applicable.



GLOSSARY

“Actual Asset Allocation” means the actual asset allocation for a portfolio.

“Advisers Act” means the Investment Advisers Act of 1940, as amended.

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

“AWC” means a FINRA Letter of Acceptance, Waiver and Consent.

“BAI” means Banc of America Investment Services, Inc.

“Bank of America” means Bank of America Corporation.

“BANA” means Bank of America, N.A.

“BAS” means Banc of America Securities LLC.

“Brochure” means the Merrill Lynch program brochure relating to the Merrill Lynch Fiduciary Advisory Services Program, as amended or updated from time to time. The Brochure is also referred to as the Disclosure Statement.

“Client” or “you” means the IIC client.

“Client Agreement” means the investment advisory agreement between the Client and Merrill Lynch that you sign for the Program, as amended from time to time.

“Code of Ethics” means Merrill Lynch’s Investment Adviser Code of Ethics.

“Designated Advisor” means a Merrill Lynch Financial Advisor that has met certain Merrill Lynch requirements and qualifications to deliver IIC services.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Financial Advisor” means a Merrill Lynch Financial Advisor.

“FINRA” means the Financial Services Regulatory Authority, Inc.

“IIC” means the Merrill Lynch Institutional Investment Consulting Program.

“GWIM CIO” means Merrill Lynch GWIM Chief Investment Office.

“Investment Company Act” or “1940 Act” means the Investment Company Act of 1940, as amended.

“IPR” means the Institutional Performance Report.

“MLPF&S”, “Merrill Lynch,” “we,” “us,” or “our” means Merrill Lynch, Pierce, Fenner & Smith Incorporated.

“Order” means an order issued by the SEC.

“Qualified Retirement Plan” means an ERISA Plan, a U.S. a 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.

“SEC” means the U.S. Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended.



“Target Asset Allocation” means an allocation of assets across one or more asset classes.

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Printed in the U.S.A.