

# Merrill Lynch

## INVESTMENT ADVISORY 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 Lynch Investment Advisory Program. If you have any questions about the contents of this Brochure, please contact us at 800.MERRILL (800.637.7455).

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 MLPF&S and MAA also is available on the SEC's website at [adviserinfo.sec.gov/IAPD](http://adviserinfo.sec.gov/IAPD).

The investment advisory services described in this Brochure are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other government agency, are not a deposit or other obligation of or guaranteed by MLPF&S, MAA or Bank of America Corporation (BoFA Corp.) or any of its affiliates and are subject to investment risks, including possible loss of principal.

March 22, 2021

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## ITEM 2. MATERIAL CHANGES

On March 23, 2020, MLPF&S and MAA together filed their last annual update for the Merrill Lynch Investment Advisory Program brochure ("Brochure"). This summary of material changes is designed to make clients aware of information that has changed since the Brochure's last annual update and that may be important to them. The material changes and other enhancements summarized below were also incorporated within this Brochure.

### MATERIAL CHANGES MADE AS PART OF THIS ANNUAL UPDATE

Below are material changes made to this Brochure as part of this annual filing:

#### **Change to the Proxy Voting Arrangement for Specified Investments.**

We have updated the Brochure to disclose that for proxy voting items that the Proxy Delegation Vendor is unable to vote under its policies due to conflicts or otherwise relating to securities with a record date on and after July 1, 2021, the proxy voting authority will revert to the client for self-voting and neither Merrill nor MAA will assume proxy voting authority or vote on the particular matter or investment on your behalf. See Item 4 at the section "Proxy Voting".

**Tax Efficient Management Overlay Services.** MAA intends to make available certain tax efficient management overlay services that a client may select for an Account with eligible securities ("TEM Overlay Services"). Merrill will request that clients selecting a TEM Overlay Service for an Account provide us a letter of authorization acknowledging the risks and limitations, as well as other information, about the TEM Overlay Services. Merrill intends to begin offering certain TEM Overlay Services on or after May 2021 subject to operational requirements being met. See Item 4 at the sections "Investment Strategies Services Available—MAA Tax Efficient Management Overlay Services" and "Tax Matters".

**Tax Efficient Management Style Manager Strategies.** Merrill intends to impose a new requirement in connection with the selection of Style Manager Strategies that have tax loss harvesting as an objective of their portfolio management approach ("TEM Style Manager Strategies"). Merrill will request that clients making such a selection provide us a letter of authorization acknowledging the risks and limitations, as well as other information, about the TEM Style Manager Strategy. Merrill intends to impose this requirement on or after May 2021 subject to operational requirements being met. See Item 4 at the sections "Investment Strategy Services Available—The Managed Strategy and Custom Managed Strategy as Program Strategy Options", "Investment Strategy Services Available—Authority of the Style Manager and MAA" and "Tax Matters".

**Portfolio Grouping with SPA and/or MAS accounts.** We have determined not to proceed with plans to develop the capability for you to group your Program Accounts with your SPA and/or MAS program-enrolled accounts in a Portfolio Group. See Item 4 at the section "Portfolio Advice and Guidance Services".

### ENHANCED DISCLOSURES MADE AS PART OF THIS ANNUAL UPDATE

We have made certain enhanced disclosures about the Program, its Services and other information in the Brochure as part of this annual update, including the following:

**Proxy Voting.** The Brochure has been updated to provide more detail regarding the Proxy Delegation Vendor's voting policy guidelines available to certain clients under the Program as well as other information about voting matters in response to certain regulatory guidance applicable to ERISA Plans and certain non-U.S. regulatory requirements. See Item 4 at the section "Proxy Voting".

#### **Step Out Trade Execution Costs and Foreign Currency Conversion**

**Costs.** We have enhanced the disclosures in the Brochure relating to the treatment of the trading costs for "step out trades" and costs for transactions in foreign ordinary securities (including foreign currency conversion-related charges) to highlight that costs for these types of transactions are included in the net price of the security and are not reflected as separate charges on your trade confirmations or account statements. See Item 4 at the sections "Brokerage and Custodial Arrangements and Services—Brokerage Execution for Style Manager Strategies with a Discretionary Manager" and "Brokerage and Custodial

Arrangements and Services—Brokerage Arrangements for Certain Types of Securities" and at the section "The Program Fee and Other Charges—Fees and Expenses Not Covered by Your Program Fee."

**Tax Risks.** The Brochure has been updated to add additional disclosure related to risks and limitations associated with the selection of TEM Overlay Services and TEM Style Manager Strategies. See Item 4 at the section "Tax Matters".

#### **Exchange-traded Products in Certain Style Manager Strategies.**

We have enhanced the disclosures relating to exchange traded products that are included in Style Manager Strategies implemented by MAA based on BofA Global Research investment models or screens. These exchange traded products are covered by Research Ratings but may not have been reviewed as part of the CIO Review Process and are not required to be so reviewed under our policies. See Item 6 at the section "Review and Selection of Style Manager Strategies and Funds Available in the Program".

**CIO Style Manager Strategies.** We have included additional information regarding the process by which CIO Style Manager Strategies are constructed. See Item 6 at the section "Strategy Selection and Construction-Selection and Review of Strategies Where Merrill, MAA or its Affiliate is a Style Manager".

**Sub-Accounting Services.** We have enhanced the disclosures relating to the conflicts of interest that are associated with our Affiliate providing sub-accounting services to funds available at Merrill. See Item 9 at "Compensation, Conflicts of Interest and Material Relationships".

#### **Training Events and Meetings and Receipt of Gifts and**

**Entertainment.** We have updated the disclosures relating to Third-Party Firm participation in Merrill-sponsored internal training and education conferences and other meetings and the disclosures relating to gifts and entertainment. See Item 9 at "Compensation, Conflicts of Interest and Material Relationships".

**Provision of Diversified Financial Services.** We have enhanced our disclosures to include information relating to our Affiliates' acquiring equity ownership positions, from time to time, in market centers. See Item 9 at "Compensation, Conflicts of Interest and Material Relationships".

#### **Family Wealth Management Vehicles under the Volcker Rule.**

We have updated the Brochure disclosures to provide that, for clients qualifying as "family wealth management vehicles," we may provide both Program Services and lending services and engage in principal transaction execution, where permitted. See Item 9 at "Participation or Interest in Client Transactions and Conflicts of Interest".

### MATERIAL CHANGES AND ENHANCED DISCLOSURES MADE PRIOR TO THIS ANNUAL UPDATE

As required by applicable regulations under the Investment Advisers Act of 1940 as amended, set forth below are material changes and enhancements made since the last annual update as part of previous updates:

**2020 Disciplinary Event.** The following disclosure was added on June 15, 2020 to Item 9 at the section "Disciplinary Information": "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, MLPF&S failed to disclose 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. 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 accepted a censure, the imposition of a cease and desist order and a disgorgement of \$297,394 and prejudgment interest of \$27,982 with the payment of such amounts to be paid to affected investors."

**Disclosure Enhancement.** The disclosure in the Brochure was updated on June 15, 2020 to enhance and streamline the presentation of information in Item 9 relating to conflicts of interest between us and you.

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

# Merrill Lynch Investment Advisory Program

## Brochure

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### About Us and 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 Merrill Lynch Investment Advisory Program ("Program") as discussed in this Brochure. As wealth management firms providing services to clients in the United States, both MLPF&S and MAA are registered with the U.S. Securities and Exchange Commission ("SEC") as an investment adviser 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 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. In certain aspects of the Program, MLPF&S and MAA perform certain of the Program services jointly and therefore certain of the statements and disclosures referencing "Merrill", "we", "our" or "us" also apply to both MLPF&S and MAA. 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

As our client, you work with your dedicated personal Merrill advisor and team (your "Advisor") to determine if the Program is appropriate for you given your financial goals and circumstances. Based on the type of relationship you select, we can help fulfill your wealth management needs in our capacity as an investment adviser, as a broker-dealer, or as both. Most of our Advisors are qualified and licensed to provide both brokerage as well as investment advisory services. Certain services and investment solutions and products available under the Program may only be provided by an Advisor who meets certain qualifications and training requirements.

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 the "Summary of Programs and Services", both available at [ml.com/relationships](http://ml.com/relationships) or upon request from your Advisor.

Both Merrill and MAA provide services under the Program in their capacity as a registered investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). To obtain the Program services, you will enter into a written agreement with us (the "Agreement") that expressly acknowledges our investment advisory relationship with you and describes our obligations to you under the Program. 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. The scope of our investment advisory relationship is defined in the Agreement. Termination of your Agreement will end that investment advisory fiduciary relationship and will cause your account to be converted to, and designated as, a brokerage account. Brokerage services and activities in the brokerage account could be limited.

**Under the Program, we are a fiduciary to you.** Merrill and MAA each have certain fiduciary obligations in providing services under the Program. As a fiduciary, we will act in your best interest and will endeavor to provide you with 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, where applicable, state laws. In addition, for Retirement Accounts, we provide 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 that are discretionary managed accounts, we provide the relevant Services as an "investment manager" under Section 3(38) of ERISA.

Generally, the Program is designed for clients who:

- Want to implement an investment plan or strategy with the advice and guidance of their dedicated personal Advisor.
- Want access to an investment professional for the management of their investment assets.
- Prefer the consistency of asset-based fee pricing for their transactions.
- Want our investment advice, custody, trading and execution services and performance reporting in a single program instead of accessing and paying for those services separately.

While this Program is designed to help clients meet a variety of investment needs, it may not be appropriate for clients who:

- Have a short-term investment horizon.
- Have an interest in maintaining consistently high levels of cash or money market funds in their account for an extended period of time.
- Maintain concentrated positions in securities that the client is not interested in selling or rebalancing.
- Engage in little to no investment activity, including rebalancing transactions.
- Engage in excessive trading and "day trading" activity.
- Desire to make investment decisions without the advice and guidance of an Advisor or without regard to Program guidelines.

We offer other investment advisory programs, including the Merrill Lynch Strategic Portfolio Advisor® Service ("SPA"), Merrill Guided Investing program ("MGI"), Merrill Guided Investing with Advisor program ("MGI with Advisor") and Merrill Edge Advisory Account program ("MEAA"). You can review a general description of these programs in the Form CRS and in the "Summary of Programs and Services" at [ml.com/relationships](http://ml.com/relationships). Please note that the MGI, MGI with Advisor and MEAA programs provide access to certain investment strategies that are the same as or similar to those offered in the Program but have different services and fees. Please refer to Item 4 at the section "Ability to Obtain Certain Services Separately and for Different Fees."

## Overview of the Program



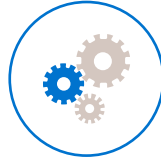
### Discovery

Your dedicated Merrill Advisor gets to know you on a personal and financial level and works with you to identify your financial goals and objectives.



### Determine Target Asset Allocation

You and your Advisor will work together on a personalized financial strategy based on your financial situation, including your risk tolerance and time horizon.



### Select Strategies & Investments

You will select the way you want your investment portfolio to be managed and may choose from a robust offering of investment solutions, including those from Merrill and third-party managers.



### Access Ongoing Advice & Adjust your Investment Portfolio

You access your Advisor when and as needed to manage your investment portfolio and to rebalance and adjust your investments as your financial goals or priorities change or in light of market conditions.



### Client Reviews

At least on an annual basis, you and your Advisor will review the status of your investment portfolio and strategies and make any changes to help meet your financial goals.

For your accounts enrolled in the Program (each, an “Account”), Merrill will provide you with personalized investment advice and guidance through your Advisor and a range of financial services and investment solutions described in this Brochure (“Services”). For each Account, you will select how you want your assets to be managed in the Program in accordance with our available Program Strategy types. You may group one or more Accounts together into a Portfolio Group for ongoing portfolio management to a selected Target Asset Allocation and for consolidated reporting.

The Program allows you to manage your investment assets that are included in an Account or Portfolio Group in a number of ways:

- You can access the services of professional third-party investment managers and Merrill and MAA investment management professionals.
- You can delegate investment discretion to your Advisor or another Advisor.
- You can retain investment discretion over your investments and receive advice and guidance from your Advisor on your assets.
- You can use a combination of the above.

Merrill will provide you with investment advice and guidance, tailored by your Advisor, to help meet your specific investment needs and goals. The investment solutions include third-party and firm-managed strategies and access to investment products, including individual equities, fixed income securities, funds and other products.

We charge a Program Fee based on the fee rate that you and your Advisor have customized for your Account. The Program Fee per Account you pay may differ from that paid by other clients of your Advisor based on the scope and size of relationships and accounts, the complexity of the client’s needs, the Advisor’s practice approach and qualifications and other factors. The Program Fee is expressed as an annual rate that is prorated for the monthly billing period and is applied to the asset value of the Account – generally, the value of the securities and cash in your Account. We disclose more information about the fees you pay, what your Program Fee does not cover and the compensation we receive in this Brochure.

The Program Fee that you pay covers the following investment advisory services:

- Investment advice and guidance services of your Advisor and those services delivered through us.
- Depending on the Program Strategy you select, access to investment strategies from third-party investment managers or from Merrill or an Affiliate.
- Certain incidental services we provide through the Program, such as trading, execution and settlement for trading, custody, performance reporting, and related account services.

We will execute any transactions in your Account in accordance with our best execution obligations. We supervise the services our Advisors and other personnel provide for compliance with our obligations under the Agreement, Program guidelines that we establish from time to time and the ethical standards we require. There are certain material relationships and conflicts of interest discussed in this Brochure, including those described in Item 9 at the sections “Compensation, Conflicts of Interest and Material Relationships” and “Participation or Interest in Client Transactions and Conflicts of Interest.” Please review these sections carefully before you make a decision to enroll an Account in the Program.

Details of the Program are provided throughout this Brochure.



## Item 4. Services, Fees and Compensation

### Portfolio Advice and Guidance Services

#### Portfolio Profiling and Creating a Target Asset Allocation

Your Advisor will gather from you important financial and personal information that will be used as a basis for advice and guidance about how to manage your Account or Accounts. You may choose to organize your investments in a single Account or as a group of Accounts. We refer to that single Account and those grouped Accounts as a "Portfolio Group" or a "Portfolio".

You may have more than one Account enrolled in the Program and you may create multiple Portfolio Groups. A grouping of accounts into a Portfolio Group may only be implemented with Accounts enrolled in the Program. Merrill has determined not to proceed with a previously announced proposed feature that would have allowed you to include your SPA and/or MAS accounts in a Portfolio Group.

For each Portfolio, your Advisor will work with you to determine an appropriate target asset allocation (the "Target Asset Allocation"), taking into account:

- Your **risk tolerance** for the Portfolio assets (your tolerance for potential loss of some or all of the assets in your Portfolio in exchange for greater potential returns).
- Your **time horizon** (determined by how long you expect to invest in order to achieve your investment objectives).

Any changes to your risk tolerance or time horizon may lead to a different recommended Target Asset Allocation and potential changes to the strategies and investments in a Portfolio. Your 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 types of investments and Program Strategies to recommend to you for your Portfolio. It is your responsibility to ensure that the information you provide is complete and accurate and to notify your Advisor promptly of any changes to that information so that your Advisor will be better able to make appropriate recommendations for you and your assets.

#### Target Asset Allocation Categories

In general, the Target Asset Allocation categories, which have associated asset class allocation ranges, are:

- |                           |                                  |
|---------------------------|----------------------------------|
| – Conservative            | – Equity-Focused                 |
| – Moderately Conservative | – Fixed Income-Focused           |
| – Moderate                | – Alternative Investment-Focused |
| – Moderately Aggressive   | – Custom Allocation              |
| – Aggressive              |                                  |

A description of each of these categories is in the Glossary under the term "Target Asset Allocation".

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.

The Equity-Focused, Fixed Income-Focused and Alternative Investment-Focused Target Asset Allocation categories allow you to orient your Portfolio towards that designated asset class and get more significant exposure to that asset class than is suggested by the target asset allocation ranges that we have set in other Target Asset Allocation

categories. These Target Asset Allocations therefore provide less diversification and, therefore, greater risk than other Target Asset Allocations.

We may offer customized allocations for specific client circumstances. These custom allocations will not necessarily align with the target asset allocation ranges that we have set or any other target asset allocation recommendations made by us and may involve greater degrees of risk.

#### Monitoring Adherence to Target Asset Allocation and Program Guidelines

The assets comprising the Portfolio in the aggregate should be aligned to the designated Target Asset Allocation for the Portfolio. On a periodic basis, we will monitor the assets in each Portfolio to the applicable Target Asset Allocation within certain parameters. If you create a Portfolio Group with multiple Accounts, we will monitor the assets in that Portfolio Group to the Target Asset Allocation of that Portfolio Group within certain parameters. If there is a prolonged misalignment, we may ask you to take action in order to remain in the Program, including rebalancing or changing your investments or updating your risk tolerance or time horizon to fall within Program guidelines.

We have established certain guidelines relating to the management of assets in the Program that may restrict or limit the activity in your Account or Portfolio Group. The Program guidelines may change at our discretion or be waived under certain circumstances for certain clients. You may be notified if your investment activity or holdings in an Account deviate from our internal guidelines and action may be required to comply with these guidelines. If you decide not to take the requested action, we may terminate the Account (or the Account that is part of a Portfolio Group, if applicable) from the Program. Taking this action will convert the Account or Accounts to a brokerage or other account type.

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

#### Cash Holding Guidelines

Depending on the Program Strategy you select, some of your Account assets will typically be held as cash and/or be invested in cash alternatives. Holding a portion of your Account assets in cash may satisfy one or more objectives, including (1) having an allocation to cash as an asset class; (2) facilitating transaction execution; (3) having available funds to pay the monthly Program Fee; and/or (4) providing for asset protection during periods of volatile market conditions. Your cash and cash alternatives in all Accounts and Program Strategies are subject to the Program Fee.

As an alternative to holding cash in an Account, you may hold any cash positions outside of the Program in a brokerage account, bank account or other account that is not enrolled in the Program. Those cash positions will not be subject to the Program Fee and will not receive the Program Services, be part of any Target Asset Allocation or be subject to monitoring under the Program. For more information, see "Assets on Which the Program Fee Is Charged" and "Funding and Operation of Accounts" in this Item 4.

#### Multi-Client Portfolio Groups

As an additional feature of the Program, you may choose to group one or more of your Accounts with the accounts of other Program clients into one or more Portfolio Groups in order to pursue a common investment goal.

For this grouping to be effective, each client in the multi-client Portfolio Group must execute a written letter of authorization that will set forth your and the other group members' instructions on grouping and the terms and conditions associated with setting up a multi-client Portfolio Group.

You continue to own the assets held in your Account within the multi-client Portfolio Group and none of the other clients in the Portfolio Group can make any changes to or direct your Advisor to take any action in your Account. Each of the Accounts in the multi-client Portfolio Group will incur its own fees, trading or other costs for activity occurring in the respective Account. We may terminate our willingness to allow the multi-client Portfolio Group at any time upon written notice to you.

By setting up a multi-client Portfolio Group, you authorize us to share information about your included Account with the other clients participating in that Portfolio Group. We will not be responsible for any loss or expense arising out of the action of creating the multi-client Portfolio Group, the sharing of information or for any act (or failure to act) by you or the other clients with respect to any decisions, changes or instructions to be made or given for a multi-client Portfolio Group.

## Investment Strategy Services Available

### Overview

We, through your Advisor, will work with you to determine how you would like your Account to be invested and managed. We may recommend one or more ways to implement your investments in your Account or Accounts for the management of your Portfolio.

The Program currently offers five types of investment approaches or methods ("Program Strategies"):



**Managed Strategy**—where you have access to Style Manager Strategies, which are strategies constructed by Merrill and/or third-party investment managers.



**Custom Managed Strategy**—where you and your Advisor design and construct an investment portfolio that combines Style Manager Strategies and/or mutual funds and exchange-traded funds in the same Account.



**Defined Strategy**—where you select investment portfolios created and managed by an Advisor on a fully discretionary basis based on a specified investment approach.



**Personalized Strategy with Advisor Discretion**—where you give your Advisor discretion over your Account to implement a customized strategy across available asset classes and permitted investment products.



**Personalized Strategy with Client Discretion**—where you retain investment authority and, with your Advisor, pursue an investment strategy across investment products from various asset classes.

These Program Strategies are discussed in more detail in the following sections.

### Important Information about the Program Strategy Types

The Program Strategies are generally differentiated by the way we deliver our advice to you and the investments we make available. If you wish to use multiple Program Strategies for your assets in the Program, you may be required to open a separate Account for each Program Strategy.

For each of the different Program Strategy options, please note the following:

- Your Advisor will work with you to determine the type of "**Authority**" that you designate for each Program Strategy. You can select **Advisor Discretion Authority** (to have your Advisor exercise investment discretion over your investments in the Program Strategy) or you can select **Client Discretion Authority** (to retain investment discretion over the investments).
- Where you have selected a Program Strategy that has Advisor Discretion Authority, your Advisor and any members of his or her team may also exercise discretion over investment selections and decisions made in your Account. In addition, you may also choose to have certain of the Program Strategy options constructed and managed by an Advisor who is not your Advisor or part of your Advisor's team.
- While the Program provides access to different types of investment securities, like equities, mutual funds and fixed income instruments, not all investment securities are available in each Program Strategy.
- The assets in your Portfolio can be allocated to cash (which is subject to the Program Fee) in varying amounts and for a variety of purposes.
- We determine the manner and extent to which Program Strategies, different investment securities, Style Manager Strategies and Funds are made available to clients through the Program, including when they may no longer be offered.
- We may add to or make changes to the Program Strategies at our discretion.
- Advisors may not offer, or be eligible to offer, all of the Program Strategies types and the full suite of investment securities and solutions available in the Program.
- Your Advisor may offer the same or similar investment strategy to different clients depending on client preferences, investment restrictions, tax considerations and other factors.

### Ability to Request Reasonable Investment Restrictions

In the Program, you may request that we impose certain investment restrictions on the management of your Program assets. 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 mutual fund, exchange traded fund ("ETF"), hedge fund or any other type of funds purchased for your Portfolio.

For Accounts in Managed Strategies and Custom Managed Strategies, MAA will determine whether a restriction request is reasonable and how to allocate investments based on an accepted Reasonable Investment Restriction. For Personalized Strategies and Defined Strategies, the Advisor managing the Strategy will make those determinations. We will 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 Portfolio or that are part of the Style Manager Strategy; (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 proposed investment restriction to be unreasonable and to not accept the proposed investment restriction. If one or more investment restrictions are determined to be unreasonable, the Account may not be enrolled and you should consider other more appropriate Program Strategies or other more appropriate products or services.

If you elect to impose Reasonable Investment Restrictions, you accept any effect such restrictions may have on the investment performance and diversification of your Portfolio. The performance of an Account with a Reasonable Investment Restriction will differ from, and may be lower than, the performance of an Account without such restrictions. In addition, your decision to alter the allocation of any Managed Strategy, Custom Managed Strategy or Defined Strategy or substitute any security may result in exposure to additional (and potentially unforeseeable) risks that are inconsistent with the objective of your investment strategy.

If accepted, the Reasonable Investment Restriction will be included in periodic Program communications and will be applied until such restriction is changed, withdrawn or waived by you or we determine that it is no longer a Reasonable Investment Restriction. You may request to have different investment restrictions applicable to each of your Accounts. If you authorize a solicited or unsolicited purchase of a security covered by a Reasonable Investment Restriction applicable to your Account, your trade authorization will be considered a waiver by you of the Reasonable Investment Restriction for that trade.

### MAA Tax Efficient Management Overlay Services

During 2021, MAA plans to make available for certain Program Strategies certain tax efficient management overlay services (each a “TEM Overlay Service”) that are intended to help manage your Account in a more tax-efficient manner. Through a variety of rules-based approaches, the TEM Overlay Services generally try to increase post-tax value for electing Accounts by seeking to:

- Opportunistically sell securities that have a loss and invest proceeds in strategy-aligned replacement securities for at least 30 days.
- Engage in tax lot management by prioritizing sales of securities that result in the lowest tax cost, as circumstances warrant.
- Defer short-term gain by restricting sales of short-term tax lots if the tax lot holding period will go long-term within 31 days or less.
- Engage in tax efficient cash management by realigning the portfolio to underlying strategy weights and giving a sell preference to depreciated securities.
- Overweight gains and underweight losses by not selling appreciated securities and selling depreciated securities relative to the underlying strategy, as circumstances warrant; and (vi) to avoid wash sales.
- Avoid wash sales.

We have prepared materials that describe the TEM Overlay Services and the specific approaches applicable for each service. You may enroll in a TEM Overlay Service by submitting the required TEM Offering Letter of Authorization (the “TEM LOA”), in which you acknowledge the risks and limitations associated with the TEM Overlay Services. These risks and limitations are covered in the TEM LOA and in other disclosures provided to you in connection with enrollment, as well as in this Brochure in the section “Tax Matters”. By signing the TEM LOA, you authorize MAA to effect the chosen service and related securities transactions on an ongoing basis without making any additional contact with you. This authority will continue in effect until you change or cancel your enrollment or the enrolled Account is terminated. You can change or cancel your enrollment at any time.

The TEM Overlay Services will only be available to taxable Accounts that have enrolled in a Managed Strategy or Custom Managed Strategy and have selected as investments for that Account a Style Manager Strategy or Strategies that are eligible for the TEM Overlay Services and/or mutual funds and ETFs. The eligible Style Manager Strategies and eligible securities are described in disclosure materials provided in connection with enrollment into TEM Overlay Services. A TEM Overlay Service will only apply to eligible investments within the Account for which it was selected and therefore may not apply to all investments that are part of

a Custom Managed Strategy. The TEM Overlay Service will only take into consideration the trading activity that occurs in that enrolled Account. If there are any Reasonable Investment Restrictions in place for the enrolled Account, MAA will seek to take those investment restrictions into consideration when applying the TEM Overlay Services and identifying appropriate replacement securities (if any).

MAA may add to the TEM Overlay Services that it offers from time to time and will describe the available services in TEM Overlay Service materials available from your Advisor. There is no separate or additional fee that is charged by Merrill or MAA for adding one or more of the TEM Overlay Services to an eligible Account. MAA reserves the right to charge a fee for any TEM Overlay Service upon prior written notice.



### The Managed Strategy and Custom Managed Strategy as Program Strategy Options

#### Nature of the Program Strategies and

**Investment Options.** The Managed Strategy as a Program Strategy type consists of a single Style Manager Strategy in a single Account. The Custom Managed Strategy allows you to group one or more Style Manager Strategies, Funds and/or a cash allocation together in a single Account.

In these Program Strategy types, you select among the managed investment strategies available in the Program (“Style Manager Strategies”). The Style Manager Strategies are implemented and managed by an investment manager (a “Style Manager”). A Style Manager Strategy consists of a selection of securities in various assets classes, holdings and weightings that is designed by the Style Manager to meet the objectives of a particular investment style or discipline. The asset classes, security holdings and weightings in a Style Manager Strategy will change based on how a Style Manager manages its respective portfolios.

We make available Style Manager Strategies that offer different investment styles or approaches. We also make available certain Style Manager Strategies that we have designated as “TEM Style Manager Strategies” because an objective of the portfolio management investment approach undertaken by the Style Managers is to opportunistically sell securities that have a loss and invest proceeds in strategy-aligned replacement securities or other tax loss harvesting approaches. The TEM Style Manager’s investment decisions and related transaction orders for the TEM Style Manager Strategy may include selling depreciated positions and seeking to recognize tax losses to offset your capital gains (and, possibly, ordinary income to a limited extent); recognizing capital gains to seek to offset any recognized losses; selling the highest cost securities first; and/or seeking to avoid the wash sale rules.

Only eligible Accounts enrolled in a Managed Strategy may select a TEM Style Manager Strategy for investment. To be eligible to select a TEM Style Manager Strategy, you must execute a TEM LOA, in which you acknowledge the risks and limitations associated with TEM Style Manager Strategies. These risks and limitations are covered in the TEM LOA, the profiles for the TEM Style Manager Strategy and other disclosures provided to you in connection with your selection as well as in this Brochure in the section “Tax Matters.” Any tax loss harvesting conducted as part of a TEM Style Manager Strategy will only take into consideration investments of, or trading activity that may occur in, the applicable TEM Style Manager Strategy.

**Style Managers.** The Style Manager can be a third-party investment manager, Merrill, MAA or an Affiliate, like BANA. Depending on the Style Manager Strategy, the Style Managers are either:

- A “model-based” Style Manager that provides investment recommendations to MAA in the form of model portfolios.
- A Discretionary Manager that implements its recommendations for the investment portfolio itself on a full or partial basis.



- A TEM Style Manager that has full investment discretion for its Style Manager Strategy but provides transaction orders for Accounts to MAA which has trading authority for those orders.

You can view a list of the Style Managers and Style Manager Strategies available under the Program at [mymerrill.com/ADV/materials](http://mymerrill.com/ADV/materials) or obtain a copy of the listing from your Advisor. This list indicates those Style Manager Strategies that are considered TEM Style Manager Strategies. Each Style Manager has filed its own Form ADV Part 2A brochure or has an equivalent document which is available upon request from your Advisor and/or on the SEC website at [adviserinfo.sec.gov/IAPD](http://adviserinfo.sec.gov/IAPD). The Style Managers, Style Manager Strategies and Funds that we include in the Program are subject to change.

**Style Manager Strategy Fees.** For certain Style Manager Strategies, you will pay a Style Manager Fee as part of your Program Fee, which will be used to compensate the Style Manager. Any fee paid to a Style Manager will vary depending on, among other factors, the particular investment style, the type of securities involved, the nature of the services provided and, for Style Manager Strategies managed by a Discretionary Manager, the costs of effecting trades with an Unaffiliated Investment Firm.

For certain Style Manager Strategies, there is no Style Manager Fee; however, the Style Managers of these Strategies (or their Affiliates) receive compensation in connection with investment strategies and/or Funds included in the particular Style Manager Strategies for which they and/or their Affiliates serve as the investment manager.

For certain of the Style Manager Strategies for which Merrill or MAA (as applicable) serves as the Style Manager, there is no Style Manager Fee. Merrill and MAA each reserves the right, with prior written notice, to charge a Style Manager Fee.

**Review of Style Manager Strategies and Funds Available in the Program.** Each Style Manager Strategy and Fund available for investment in the Program has been identified by us and approved for inclusion in the Program. As a general matter, we decide whether to include or to remove particular Style Manager Strategies and Funds in the Program based on a variety of factors. These factors include client needs, available investment styles, platform capacity and client demand. We also consider the outcome of due diligence and evaluation reviews conducted by our Chief Investment Office (the "CIO") or conducted by third parties subject to our supervision. For more information about the CIO and our review process, see Item 6 at the section "Portfolio Manager Selection and Evaluation-Review and Selection of Style Manager Strategies and Funds Available in the Program."

**Authority for Selecting and Making Changes to your Program Strategy.** You may select a Managed Strategy or a Custom Managed Strategy with one of the following Authority types: Client Discretion Authority, where you retain the discretion as to certain actions, or Advisor Discretion Authority, where you delegate the discretion to an Advisor. Not all Program Strategies may be available to you based on the level of Authority you select.

- For a Managed Strategy with Client Discretion, you, after discussions with your Advisor, will select the Style Manager Strategy that you want to have implemented in your Account and any changes to the Style Manager Strategy for your Account will require your consent, because you retain the Authority to select and implement these changes.
- For a Managed Strategy with Advisor Discretion, when available in the Program, your Advisor will have the authority to change the Style Manager Strategy for the Account to another Style Manager Strategy subject to certain limitations and any changes will not require your consent, because you grant to Merrill the Authority to select and implement these changes.

- For a Custom Managed Strategy with Client Discretion, any change to your selection of Style Manager Strategies and/or Funds, their allocations (including to cash) or rebalancing frequency will require your consent, because you retain the Authority to select and implement these changes.
- For a Custom Managed Strategy with Advisor Discretion, your Advisor will select the Style Manager Strategies, Funds and/or cash that make up the Custom Managed Strategy, assign a corresponding allocation percentage and select the rebalancing frequency and any changes will not require your consent, because you grant to Merrill the Authority to select and implement these changes consistent with your investment objective.

**Authority of the Style Manager and MAA.** You will not enter into a separate investment advisory agreement with a Style Manager. A Style Manager will not ordinarily know your identity, however, under the Agreement, you have authorized and directed MAA to provide any necessary information about you to a Style Manager as needed to provide services to you in the Program.

The investment decisions for **a Style Manager Strategy of a model-based Style Manager** will generally be implemented by MAA in accordance with the investment recommendations and instructions provided to it by the Style Manager through model portfolios or other investment guidelines or instructions. A model-based Style Manager provides advisory services under an agreement with MAA by furnishing to MAA investment recommendations for its Style Manager Strategies in the form of model portfolios. MAA will generally implement the model-based Style Manager's recommendations without change, subject to your Reasonable Investment Restrictions, cash commitments and other operational or investment considerations. MAA may determine, in its sole discretion, in light of operational or investment considerations, to deviate from the model portfolio on a limited basis (i.e., to select another security or increase the cash allocation within a model portfolio).

By your choosing a model-based Style Manager Strategy for an Account, as provided in the Agreement, you grant MAA investment discretion and trading authority for investments occurring in that Style Manager Strategy. Through that discretion, we will have complete and full trading authority and may invest, reinvest, purchase, sell, exchange, convert and otherwise trade assets, without any prior notice. This authority will remain in place until we have received and accepted instructions from you to either change the Style Manager Strategy or terminate your Account. Certain Style Managers with model-based Style Manager Strategies may place trades after consulting with MAA. In this case, you grant the Style Manager trading authority on a partial basis for certain investments. In these situations, the Style Manager is considered a Discretionary Manager and may place trades, after consulting MAA and determining it meets certain conditions.

Some Style Manager Strategies are implemented by **a Style Manager that is a Discretionary Manager**. The Discretionary Manager provides advisory services by implementing its investment and trading decisions directly, on a full or partial basis, for each of its Style Manager Strategies. Under its agreement with the Discretionary Manager, MAA arranges for investments of a Discretionary Manager for this type of Style Manager Strategy to be implemented within your Account directly by the Discretionary Manager without change. MAA does not exercise responsibility for implementing investment decisions other than enforcing any Reasonable Investment Restrictions in your Account.

By your choosing a Style Manager Strategy with a Discretionary Manager for an Account, as provided in the Agreement, you grant the Discretionary Manager investment discretion and trading authority for investments occurring in the Style Manager Strategy in your Account. Through that discretion, the Discretionary Manager will have complete and full trading authority and may invest, reinvest, purchase, sell, exchange, convert and

otherwise trade assets, without any prior notice. This authority will remain in place until we have received and accepted instructions from you to either change the Style Manager Strategy or terminate your Account.

By choosing **a Style Manager Strategy that is considered to be a TEM Style Manager Strategy** for an Account, as provided in the Agreement, you grant the TEM Style Manager investment discretion for investments occurring in the TEM Style Manager Strategy. Through that discretion, the TEM Style Manager provides its investment decisions and related transaction orders for such Accounts to MAA. In this arrangement, MAA has full trading authority for implementing these investment decisions and may invest, reinvest, purchase, sell, exchange, convert and otherwise trade assets, without any prior notice. This authority will remain in place until we have received and accepted instructions from you to either change the TEM Style Manager Strategy or terminate your Account. MAA will implement any Reasonable Investment Restrictions and manage cash commitments and other considerations within your Account invested in a TEM Style Manager Strategy. We may offer TEM Style Manager Strategies where Merrill or MAA is the TEM Style Manager and may charge a Style Manager Fee.

The Style Manager Strategies of model-based Style Managers, Discretionary Managers and TEM Style Managers are included in the Style Manager listing at [mymerrill.com/ADV/materials](http://mymerrill.com/ADV/materials) or may be obtained from your Advisor.

**MAA's Role and Authority.** In addition to that described above, MAA has authority to make certain investment and trading decisions including:

- Implementing, as applicable, the model-based Style Manager's recommendations.
- Implementing the Style Manager Strategies for which Merrill or its Affiliate is the Style Manager.
- Implementing investment decisions and related trade orders for TEM Style Manager Strategies as directed by the Style Manager.
- Investing the initial and any subsequent cash and securities deposited in the Account.
- Processing all contributions, withdrawal requests and Account terminations.
- Periodically reviewing the Account for rebalancing, if applicable.
- Implementing your Reasonable Investment Restrictions, if any.
- Implementing your tax-selling instructions, if any.

In connection with certain of these activities, MAA may utilize the services of Affiliates, in its discretion and subject to legal requirements, for investment and administrative support.

**Authority for Rebalancing.** Certain Style Manager Strategies have target allocations and are subject to automatic rebalancing on a periodic basis and others are dynamically managed and are not subject to rebalancing. For Custom Managed Strategies, the frequency of rebalancing is determined by you if you have selected Client Discretion Authority and is determined by your Advisor if you chose Advisor Discretion Authority. When appropriate, where you have delegated discretion authority to your Advisor, we may rebalance your Custom Managed Strategies to approximate the allocations among the Style Manager Strategies and Funds to the agreed-upon allocations.

In our discretion, we may decide not to process certain rebalancing transactions. Delays in the processing of any rebalancing may be caused by market conditions, illiquid securities or those with limited subscription and redemption schedules, as well as the availability of funds and other factors.

**Fund Prospectus Delivery.** The following will apply to an Account that has selected a Managed Strategy or Custom Managed Strategy where either we, MAA or a Discretionary Manager, as relevant, has been

granted discretionary authority by you. When an eligible Registered Fund is purchased for an Account that has selected these Program Strategy types, the firm with discretionary Authority in connection with managing the Account is 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 your Advisor who will arrange for it to be sent to you free of charge. For certain Style Manager Strategies, Merrill may continue to send the Registered Fund prospectus to you in its sole discretion.

For a Custom Managed Strategy with Client Discretion, any change to your selection of Registered Funds as part of that Custom Managed Strategy requires your consent, because you retain discretionary Authority to select and implement these changes. Therefore, you will automatically receive from Merrill the relevant Fund prospectus and the foregoing delivery approach does not apply.

**Profiles for Style Manager Strategies.** We will generally provide you with important information about each Style Manager Strategy through a document known as a "Profile." The Profile will describe the relevant objectives, styles and risks of the particular strategy. It will also describe the roles of the Style Manager and MAA in implementing the Style Manager Strategy. We prepare the Profiles from information provided by the Style Managers. They have the obligation to establish and maintain each Style Manager Strategy in the manner generally described in the then-current Profile and to provide us notice on a timely basis of any changes made. We cannot guarantee the accuracy or consistency of the information contained in the Profiles but we obtain periodic confirmations from the Style Managers to help us confirm they continue to be materially accurate and complete.

**Replacing a Style Manager Strategy or Fund.** Occasionally, we may decide to discontinue offering a Style Manager Strategy or Fund, to close a Style Manager Strategy or Fund to new investments and/or additional contributions from existing participants, or to require a particular Style Manager Strategy or Fund held by clients to be replaced.

Our actions may include:

- Replacing the Style Manager Strategy or Fund with another Style Manager Strategy or Fund.
- Investing new contributions from, or the sale or redemption proceeds held by, existing investors in the Strategy or Fund in a replacement Style Manager Strategy, a mutual fund or ETF selected by us.
- Leaving any such contributions or sale or redemption proceeds in cash in the Account until a replacement is chosen by us or we are directed to invest in an alternative Style Manager Strategy or Fund by you.

MAA is responsible for implementing our decisions and related actions.

If you hold the particular Style Manager Strategy or Fund in your Account with a Program Strategy with Client Discretion, we generally will provide you with prior notice of any discontinuation, closing or replacement event but, depending on circumstances and our view of the nature of the event, we may provide you with notice 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 a Style Manager Strategy or Fund with another Style Manager Strategy or Fund, we will endeavor to replace it with an investment style that has an investment objective consistent with that of the Style Manager Strategy or Fund being replaced. This replacement Style Manager Strategy or Fund may be subject to a higher Style Manager Rate or higher Fund expenses than you had been paying. If you do not instruct us to the contrary, your continued participation in the Program after any such replacement or other action will be your consent to the action. We will take this outlined action regardless of the Authority that you have chosen for your Program Strategy.



## The Defined Strategy as a Program Strategy Option

### Nature of the Strategy and Investment Options. A

Defined Strategy is one where an Advisor constructs, selects and manages an investment portfolio of individual securities and cash to meet a specified investment style or discipline. A Defined Strategy is managed with **Advisor Discretion Authority** only and we, through the Advisor, have investment and trading discretion (including as to rebalancing) over the assets in your Account. This discretion empowers the Advisor to make investment and trading decisions with respect to those assets without contacting you.

The Advisor, in constructing the Defined Strategy, may purchase different types of securities or investments, including equity securities, fixed income securities, Funds, certain Alternative Investments and other securities and maintain a cash asset allocation, subject to certain Program guidelines. Securities that are eligible to be part of a Defined Strategy may change over time as determined by us in our discretion.

**Trading Authority.** Your Advisor will have investment and trading discretion over your Account and will make investment and trading decisions with respect to your assets in the Account without contacting you. By choosing this Authority, you grant to us the authority to trade your investments and to select and implement any change to investments, asset allocation, or rebalancing within the same investment objective. Additionally, where your Advisor is a member of a team of Advisors, other members of that team may also exercise discretion over certain investment decisions made in your Account.

**Defined Strategy Review Process.** Not all of our Advisors offer, or are eligible to offer, this Program Strategy option to their clients. You may also choose to select a Defined Strategy that is managed by an Advisor who is not the Advisor or team of Advisors primarily responsible for your relationship with Merrill. In that case, the Advisor selected to manage your assets will be responsible for implementing the Defined Strategy. Under certain circumstances, the Advisor may make changes to the Defined Strategy used to manage your Account based on various factors, including market conditions. Defined Strategies are subject to review and evaluation by us.

In certain circumstances, we may terminate the Defined Strategy offered by an Advisor. Generally, your Advisor will work with you to recommend an alternate investment solution, but, under certain circumstances, we may determine to select a replacement Managed Strategy for you that we believe to be in your best interest. We generally will provide you with prior notice before selecting such a replacement. The Managed Strategy that we select to replace the Defined Strategy will be one managed by us or one of our Affiliates or by a third-party manager. A Style Manager Rate may apply depending on the Managed Strategy selected.

We will provide you with written information regarding the Managed Strategy replacement. If you do not instruct us to select a different replacement or change to a different type of Program Strategy, your continued participation in the Program will be your consent to the replacement we select for your Account. If there is no acceptable alternative to the terminated Defined Strategy or your Account is not eligible for the selected replacement, we may elect to terminate your Account with the Defined Strategy from the Program.

**Fund Prospectus Delivery.** The following will apply to an Account enrolled in a Defined Strategy as the Program Strategy type where you have granted discretionary authority to us and an Advisor. When an eligible Registered Fund is purchased for such Account, we are authorized to receive the Registered Fund prospectus in connection with managing your Accounts in lieu of the prospectus being automatically delivered to you. If you would like a copy of the Registered Fund prospectus, you may obtain one by contacting your Advisor who will arrange for it to be sent to you free of charge.

**Defined Strategy Profile.** Your Advisor will provide you a Defined Strategy Profile if available as not all Defined Strategies have a Defined Strategy Profile. It provides general information, asset allocation and top holdings for the strategy. Your Advisor may decide, in his or her discretion and without your consent, to manage the assets in a Defined Strategy in a manner that is different from the description provided in the Defined Strategy Profile. Any changes to how the Defined Strategy is managed will impact the performance of your Account. Holdings in the Defined Strategy and the asset allocation associated with it will be included in your Account statements. Defined Strategy Profiles, typically updated quarterly to include performance information as of the most recent quarter-end, can be obtained from your Advisor upon request.



## The Personalized Strategy with Advisor Discretion as a Program Strategy Option

### Nature of the Strategy and Investment Options

#### Available.

With this option, after discussions with you, your Advisor will manage an investment portfolio to meet your Target Asset Allocation and other investment objectives for your Account. This Program Strategy type may be customized for your particular investment needs and requests. Not all of our Advisors offer, or are eligible to offer, this Program Strategy option to their clients.

Your Advisor may purchase or recommend different types of securities or investments, including equity securities, fixed income securities, brokered certificates of deposit ("brokered CDs"), mutual funds, ETFs, non-traditional funds ("NTFs") and cash, including Bank Affiliate deposit products available in the Program. Securities that are available in the Program may change over time as determined by us in our discretion.

**Trading Authority.** By choosing this Program Strategy, you grant to us the authority to trade your investments and to select and implement any change to investments, asset allocation or rebalancing within the same investment objective. Your Advisor will have investment and trading discretion over your Account and will make investment and trading decisions without contacting you. Additionally, where your Advisor is a member of a team of Advisors, other members of that team may also exercise discretion over certain investment decisions made in your Account.

**Fund Prospectus Delivery.** The following will apply to an Account enrolled in a Personalized Strategy with Advisor Discretion as the Program Strategy type where you have granted discretionary authority to us and an Advisor. When an eligible Registered Fund is purchased for this Account, we are authorized to receive the registered Fund prospectus in connection with managing your Accounts in lieu of the prospectus being automatically delivered to you. If you would like a copy of the Registered Fund prospectus, you may obtain one by contacting your Advisor who will arrange for it to be sent to you free of charge.



## The Personalized Strategy with Client Discretion as a Program Strategy Option

### Nature of the Strategy and Investment Options

#### Available.

In an Account where you have selected the Personalized Strategy with Client Discretion option, you may buy, hold and sell individual investment securities and cash positions to meet your Target Asset Allocation and other investment objectives. Not all of our Advisors offer, or are eligible to offer, this Program Strategy option to their clients.

This Program Strategy type is intended for investors who seek to establish investment objectives and receive ongoing advice and guidance and monitoring services with respect to investments and asset allocation but who want to retain investment discretion and trading authority (except as noted below) in their Account. This Program Strategy may not be appropriate if you intend to maintain or hold high levels of cash, money market funds and/or highly concentrated equity positions, consistently and over a prolonged period of time.

The different types of securities or investments that can be purchased or held in a Personalized Strategy with Client Discretion include: equity securities, fixed income securities, brokered CDs, mutual funds, ETFs and NTFs, Annuities, Market-Linked Investments ("MLIs") and Alternative Investments ("AI") including Precious Metals. Securities that are available in the Program may change over time as determined by us in our discretion. Investments in Annuities, MLIs, AI Funds and Precious Metals are subject to additional client suitability and eligibility requirements.

**Trading Authority.** You, with the assistance of your Advisor, will select the investments that make up the Personalized Strategy and, if desired, assign a corresponding asset allocation percentage for each investment and/or select a rebalancing frequency for the assets. Any change to investments (on a transaction by transaction basis), asset allocation or rebalancing will require your consent because you retain the Authority to select and implement these changes. An exception to this requirement is where mutual fund shares are transferred into your Account and we take action to replace the transferred shares with those of the Fund share class that is offered in the Program or where we make available in the Program a new share class for the Fund and the terms and conditions of this share class are no less favorable than those of the prior share class.

**Unsolicited Orders.** Merrill generally permits clients to place unsolicited orders for the purchase or sale of securities in this Program Strategy type. Generally, unsolicited orders are those that you request your Advisor to effect without having received a recommendation or call to action from your Advisor or those that you instruct us to make that are contrary to your Advisor's advice, guidance or recommendation. Your ability to place unsolicited orders in the Program is subject to any limits, restrictions and/or conditions that we may choose to enforce from time to time, including termination of an Account from the Program. We have the right, in our sole discretion, to decline to accept or effect any unsolicited orders at any time, without providing you prior notice.

**Excessive or Low Trading Activity.** This Program Strategy type is not intended to be used by clients who engage in activity that is inconsistent with the investment advice provided through the Program or who intend to engage in a very low or very high volume of trading in their Portfolio. If your activity contravenes our Program guidelines on these and other matters, we will request that you take certain corrective action. We have the right to terminate your Account from the Program if the requested or other action is not taken.

## Portfolio Reviews, Program Reports and Information

An important part of the Program is providing you with the opportunity to engage in periodic reviews with your Advisor or a designated member of the team servicing your Portfolio. These reviews provide updates on the progress of your Portfolios, Accounts and other important information about your investments. If you do not participate in your Portfolio review, we have the right to, in our discretion, terminate your Account or Accounts from the Program. For more information about our communications and reporting to you (including about a Program Report), see Item 9 at the section "Account Review and Reporting."

## Brokerage and Custodial Arrangements and Services

If you maintain your Account with Merrill, the Program Fee you pay generally covers (except as otherwise indicated) the execution of transactions in the Program and the custody of your assets. Certain brokerage or banking features may not be available depending on the Program Strategy you select.

In your Agreement and depending on the Program Strategy and Authority you select, you appoint us and/or a Discretionary Manager, as the case may be, to act as your agent and attorney-in-fact with power and authority to buy, sell or otherwise effect transactions in securities or other property,

in whole or in part, on margin or on a cash basis and in your name for your Accounts. You also authorize and direct us to cause all transactions to be effected through Merrill or our Affiliates acting as agent or, where permitted by law and regulations as principal.

In effecting transactions for your assets in the Program, we or our Affiliates will be acting exclusively as a broker-dealer and trades will be handled by us consistent with our best execution and other regulatory 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 may, but are not required to, aggregate orders for the sale or purchase of securities for your Accounts with orders for the same security for our other clients, for our own accounts or the accounts of our employees (including your Advisor) and/or related persons. 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 Style Managers provide similar investment recommendations or trade orders for their particular Style Manager Strategy to MAA for implementation, MAA's ability to implement those recommendations will be affected by the liquidity of the security, market volatility and any price limits imposed by the Style Managers. This may in turn have a negative impact on the performance of a Style Manager Strategy.

For Personalized Strategy with Client Discretion Accounts, your Advisor will enter your trade orders promptly upon your instruction. In implementing your instructions, Merrill, as broker-dealer, has discretion as to the price or time at which it executes an order for a transaction, as long as the transaction is executed the same day the order is given to your Advisor and is consistent with our duty to seek best execution. If we believe that it may be appropriate to execute an order later than on the same day that we receive the order, we will ask for your authorization to do so.

Advisors also have broad discretion to trade Accounts participating in Defined Strategies. There can be no assurance that an Advisor will purchase or sell the same securities for all such Accounts in the Defined Strategy at the same time, or that the Advisor will aggregate your orders with those of other clients. As a result, you may receive different prices and executions for the same securities as compared to other clients making the same investment in that security. In addition, although we do have routines that monitor performance dispersion within a particular Defined Strategy that an Advisor is implementing, investment opportunities will not necessarily be allocated among participating Accounts on a fair and equitable basis.

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. In general, in instances where we are responsible for effecting the transaction incorrectly, we may reimburse you for any losses directly resulting from trade errors, credit to you any profits directly resulting from such trade errors that are corrected after the settlement of the transaction, or 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 Investment Firm 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.



## Brokerage Execution for Style Manager Strategies with a Discretionary Manager

If you have selected a Style Manager Strategy that has a Discretionary Manager, the Discretionary Manager has the authority to place orders for transactions with broker-dealers that it selects, including with us, our Affiliates and Unaffiliated Investment Firms, when consistent with their obligation to seek best price and execution. Discretionary Managers are able to transact with us or our Affiliates on a principal basis when permitted by law. When these transactions are effected on a principal basis, we will receive additional compensation. For certain Discretionary Managers, we may provide administrative services to the Discretionary Managers to assist with the placement of orders at their direction.

A Discretionary Manager has the discretion to aggregate orders for the sale or purchase of securities for the Style Manager Strategy with orders of the same security for other clients in the same Style Manager Strategy (either at Merrill or at other firms), for its own accounts or for the accounts of its or our employees and/or related persons. It is not required to aggregate orders. Where it does employ aggregation of orders, 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.

Certain Discretionary Managers that have authority to place orders for particular (but not all) transactions for their Strategies have authority to place such orders with us and our Affiliates or with an Unaffiliated Investment Firm if the Discretionary Manager determines, after consultation with us, that: (1) they are able to aggregate a particular trade for Program clients in a block trade and (2) they expect such aggregation will be for the overall benefit of our Program clients.

**Important Information About “Step Out Trades”.** A transaction that the Discretionary Manager has placed through an Unaffiliated Investment Firm for a particular Style Manager Strategy is commonly referred to as a “step out” or a “step out trade.” In selecting a firm to execute transactions and the markets in which the transactions will be executed, the Discretionary Manager is not obligated to solicit competitive bids for each transaction or seek the lowest available commission cost so long as it reasonably believes that the firm it selects can be expected to obtain a “best execution” market price on the particular “step out trade.” Each Discretionary Manager is responsible for ensuring that it complies with its own best execution obligations.

Certain Discretionary Managers have historically executed all or a portion of their trades as “step outs.” Frequently, these trades have been for fixed income or other securities for which trading-related charges and costs (e.g., mark-up/downs, dealer spreads) are charged by the executing broker-dealer. These trading-related charges and costs are included in the net price of the security and are charges and costs that are in addition to your Program Fee. You, rather than us or the Discretionary Manager, will bear the cost of these trading-related charges and costs. See information in Item 4 in the section “The Program Fee and Other Charges—Fees and Expenses Not Covered by Your Program Fee.” In addition, these trading-related charges and costs will not be reflected as separate charges on your trade confirmations or account statements. We will undertake, at your written request, to obtain the amount of this remuneration for a given transaction in your Account.

If the Discretionary Manager executes “step out” transactions for certain equities and other securities with an executing broker-dealer that is an Unaffiliated Investment Firm, you will not have to pay trading-related charges and costs (e.g., commissions and mark-ups/downs) charged by the Unaffiliated Investment Firm except for transactions in foreign ordinary shares and American Depositary Receipts (“ADRs”). See information in the section “Transactions in Foreign Ordinary Shares and ADRs” below.

Discretionary Managers are able to place trades for purchases of securities in underwritten offerings with BofAS or any of our Affiliates or with an Unaffiliated Investment Firm under which certain underwriting compensation is earned by the Affiliate or Unaffiliated Investment Firm.

The Style Manager Rates vary among Style Managers (including Discretionary Managers) and it is possible that the Style Manager Rate for a Discretionary Manager will be higher than that for other Style Managers with the same or similar Strategies. You could be deemed to be indirectly bearing the cost of “step out” trades by virtue of any such higher Style Manager Rate. Because you will pay the same Style Manager Rate for a particular Style Manager Strategy regardless of whether or not the Discretionary Manager executes “step out” trades, this creates a conflict of interest, or the appearance of a conflict of interest, between the Discretionary Manager and you. You should consider this conflict of interest when selecting a Style Manager Strategy with a Discretionary Manager that engages in “step out” trades.

The Discretionary Managers that we have identified as trading through Unaffiliated Investment Firms, either on a regular or a limited basis, are designated in “Style Manager Step Out Information Document” available at [ml.com/SMA](http://ml.com/SMA) or [mymerrill.com/adv/materials](http://mymerrill.com/adv/materials). You can also obtain a copy of this document upon request from your Advisor. Information in this document is based solely on the historical information that has been provided by the Discretionary Managers. We do not make any representation regarding the future trading practices of any Discretionary Manager for any Style Manager Strategy. We recommend that before making a selection of a Style Manager Strategy, you review the Discretionary Manager’s Form ADV, Part 2A brochure (available upon request from your Advisor and/or on the SEC website at [adviserinfo.sec.gov/IAPD](http://adviserinfo.sec.gov/IAPD)), which contains more detailed information about its brokerage practices.

## Brokerage Arrangements for Certain Types of Securities

**Transactions in Foreign Ordinary Shares and ADRs.** For foreign ordinary security transactions executed outside the United States, we may use the services of a foreign Unaffiliated Investment Firm (or its Affiliate). The foreign Unaffiliated Investment Firm (or its Affiliate) will handle the order and will assess trading-related charges and costs (i.e., commissions, mark-ups/downs, dealer spreads and other fees and charges) and, to the extent a foreign currency conversion transaction is required, it will be remunerated in the form of a dealer spread or a mark-up/down. These trading-related and currency conversion-related charges and costs are included in the net price of the security and are charges and costs that are in addition to your Program Fee. See information in the section “The Program Fee and Other Charges—Fees and Expenses Not Covered by Your Program Fee.” In addition, these charges and costs will not be reflected as separate charges on your trade confirmations or account statements. We will undertake, at your written request, to obtain the amount of this remuneration for a given transaction in your Account.

**Annuities.** Merrill, as a broker-dealer, and Merrill Lynch Life Agency Inc. (“MLLA”), as general agent and insurance broker, have entered into selling agreements with insurance companies (that are not our Affiliates) to offer Annuities. With the assistance of your Advisor, we and MLLA will work with you in connection with your purchase of an Annuity. Not all Advisors may offer Annuities in the Program. Your Annuity assets are maintained at the specific insurance company that issued the Annuity (“Annuity Issuer”). For any Annuity held in your Portfolio, you authorize your Advisor to process all transactions relating to your investment decisions regarding the Annuity in the Account. We will provide you with investment advice and guidance regarding the Annuity and its role in your Portfolio and as to any sub-fund investments, where applicable, associated with the Annuity.

**Transactions in Precious Metals.** For purchases or sales under our Precious Metals Program, we will enter into a corresponding agency trade on your behalf with the provider of certain services, Gold Bullion International, LLC (“GBI”). Under our agreement with GBI, it is responsible for seeking pricing for the purchase or sale transaction from its network of dealers approved under the Precious Metals Program and will execute the transaction on a principal basis.



**Rules for Cash Accounts and Margin Transactions.** As a broker-dealer, Merrill is responsible for compliance with federal margin rules. Except where margin has been specifically permitted, Accounts in the Program are set up as cash Accounts. This account notation means that margin is not permitted and purchases of securities must be fully paid for on the date of the trade. With a cash Account, if securities are sold before the payment for their purchase has settled, an event known as a “free-riding violation” has occurred. Free-riding is prohibited under margin rules and our Program guidelines. Having a “free-riding” violation may result in your Account being restricted for 90 days or “frozen.” The imposition of such a freeze could have a negative effect on your Account and performance.

The risk of engaging in an inadvertent “free riding” violation and therefore freezing of your Account is enhanced: (1) when you use multiple Style Managers as they operate independently and are unaware of purchase or sale activity by the other Style Managers; (2) when you change Style Managers and reconstitute your investments; (3) when you engage in periodic rebalancing (which results in purchases and sales of securities over a short period of time); or (4) when you withdraw cash from your Account when there is a pending order to purchase a security. Under certain circumstances and for certain Program Strategies, you may use margin in respect of your Account assets. For such Accounts, you must have executed the relevant margin agreement.

## Custodial Arrangements and Services

**Custody with Merrill.** Generally, we will act as the custodian for the securities held in the Program. Your assets will be maintained in one or more central asset accounts established at Merrill through the applicable securities account you have opened.

Any assets held in the Program must be and remain free from any lien, charge or other encumbrance, unless we agree otherwise or it is a lien, charge or other encumbrance in favor of us or our Affiliates through our securities account agreements. You must notify us in writing prior to effecting any loans secured or collateralized by your Account, including effecting any loans with our Affiliates. No specific securities in your Account should be held as collateral to secure any loans you may have. We will not provide advice on, or oversee any of, your collateral arrangements. Unless we otherwise agree, in the event of any conflict between the terms of the Agreement and your collateral arrangements, the terms of the Agreement will prevail. You must also disclose to any lender the terms of the Agreement. There are adverse effects of collateralizing your 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.

### Custody with an Affiliated Custodian or an Unrelated Custodian.

In limited circumstances, upon your request and direction and with our consent, you may enter into arrangements for your assets in the Program to be maintained with (1) certain of our Affiliates for that Affiliate to act as a custodian (a “Affiliated Custodian”) or (2) a custodian that is not related to or affiliated with Merrill (an “Unrelated Custodian”).

Unless otherwise agreed with such Custodian, you will pay separate fees for these arrangements on terms agreed upon by you with such custodian. Our rights and authority respecting your assets enrolled in the Program, including as to transfers of assets held with the Affiliated Custodian or the Unrelated Custodian, are limited to those set forth in the Agreement, regardless of any separate agreements or arrangements you may have or may enter into with any such Custodian. We disclaim any broader rights that may be contained in your separate agreement with the Affiliated Custodian or the Unrelated Custodian.

You will be responsible for all fees and expenses charged by an Affiliated Custodian or an Unrelated Custodian subject to applicable law and the custodial arrangements agreed upon by you. These fees and expenses are not covered by the Program Fee. Cash held with an Affiliated Custodian or an Unrelated Custodian will not be subject to the same sweep

arrangements you have with Merrill acting as the custodian, but we will include such cash positions in the value of your Account for the calculation of the Program Fee.

You will be responsible for ensuring that we (and all vendors used by us) are provided with daily access to the Affiliated Custodian’s or Unrelated Custodian’s systems, transaction and account data and other information necessary to provide adequate account supervision, transaction, billing and other client reports and other necessary services to your Account.

You understand that as a result of your use of a custodian other than Merrill, you may receive more limited information and reporting, including performance reporting when we cannot obtain certain required information from the Affiliated Custodian or Unrelated Custodian.

Furthermore, any performance and other reports or statements provided by us for your Portfolio will be based on information provided by the Affiliated Custodian or Unrelated Custodian. We will use this information to calculate the Program Fee, monitor your Target Asset Allocation and for other purposes. Merrill and MAA are not responsible for verifying the accuracy of the information provided by such custodian and are not responsible or liable for any losses or errors, including but not limited to, errors in performance reports and fees charged to the Account, if caused by, or in any way related to, our reliance on such information from, and the acts or omissions of, such custodian with respect to the Account. You agree to promptly notify your Advisor about any additions or withdrawals of assets to or from your Account maintained at any such custodian. Neither Merrill nor MAA will be responsible or liable for any losses due to your failure to provide such prompt notification.

**Special Custody Arrangements for Certain Program Assets.** Annuity assets purchased for an Account will be maintained at the Annuity Issuer. Custody of Precious Metals purchased through the Precious Metals Program will be maintained at approved vaults in the name of Merrill as agent for your exclusive benefit. Although the Precious Metals Program provides for periodic verification procedures, Merrill may not be able to regularly confirm the existence and amount of Precious Metals held under the Precious Metals Program at a given approved vault location. In lieu of custodizing at one of the approved vaults, subject to certain restrictions, you may elect to take physical delivery of Precious Metals purchased under the Precious Metals Program; however, doing so involves the possibility of significant additional costs and risks. Merrill is not obligated to satisfy your request to take physical delivery. For more information please review the Precious Metals Disclosure Statement for the program.

## Proxy Voting

You have the right to vote proxies for securities held in your Account. You also have the option under certain Program Strategies to delegate proxy voting authority directly to a proxy voting service provider we have engaged and made available to you (“Proxy Delegation Vendor”).

Based upon its oversight process and upon the recommendation of the proxy voting committees of Merrill and MAA, Merrill has made Institutional Shareholder Services, Inc. (“ISS”) available as the Proxy Delegation Vendor in the Program. ISS offers certain proxy voting policies (“ISS Voting Policies”) that take certain positions on corporate governance and other issues. The ISS Voting Policies available as of the date of this Brochure are:

- ISS Benchmark Guidelines that are designed to promote total shareholder value and company risk mitigation.
- ISS Socially-Responsible Investing Guidelines that are designed to reflect a broad consensus of the socially responsible investor community (“ISS SRI Guidelines”).
- ISS Catholic Faith-Based Guidelines that are designed to reflect the teachings of Catholicism and Christianity as a whole (“ISS Catholic Guidelines”).

Not all ISS Voting Policies may be available to all clients. An ERISA Plan may select among the available ISS Voting Policies if it makes its own determination that the selected ISS Voting Policy meets the requirements imposed on it under ERISA regulations. An "ERISA Plan" is a plan subject to the provisions of ERISA or any other entity deemed to hold assets of such a plan, including SIMPLE, SEP and other IRAs subject to ERISA's fiduciary responsibility provisions. We may require additional documentation for the ERISA Plan as to its selection. For more information on ISS and its Voting Policies, see "ISS Voting Policies and Other Matters" in this section.

**You may not delegate to us, and we do not accept or assume from you, proxy voting authority for any securities other than as described below.**

### Implementing Your Proxy Voting Selection

**General Approach.** You provide to us your initial instruction regarding proxy voting in the section "Account Elections/Signature Page" in your Agreement. You may have a different election for each of your Accounts. Each election will apply to the Account specified unless the proxy voting option you elect is no longer available, or until you make a different election. For each Account, your proxy voting election will be reflected in your initial Program Report.

As indicated in the Agreement, unless you notify us in writing, you have instructed us that:

- For any Account with a Personalized Strategy with Client Discretion, you retain proxy voting authority for securities in that Account.
- For any Account with a Managed Strategy, a Custom Managed Strategy, a Defined Strategy or a Personalized Strategy with Advisor Discretion, you delegate voting discretion (1) to ISS or its successor proxy voting service as the Proxy Delegation Vendor for your Account, voting under its Benchmark Guidelines and (2) to us for a proxy for any security (other than Funds) that the Proxy Delegation Vendor is unable to vote under its policies ("Specified Investments") with a record date on or before June 30, 2021.

If you subsequently change your Account to a Personalized Strategy with Client Discretion, any delegation as set forth above will cease and you will retain proxy voting authority for your Account. This is because the Proxy Delegation Vendor option is not available for Personalized Strategy with Client Discretion.

**Electing the Option to Vote Proxies Yourself.** You may elect to retain proxy voting authority for any of your Accounts. For any of your Accounts with a Personalized Strategy with Client Discretion, you must retain proxy voting authority for securities in that Account. When 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 we are the custodian of your Account and do not receive voting instructions from you or your delegate, we will comply with the rules of the SEC and applicable self-regulatory organizations relating to such matters, as required by law.

If your Account is an ERISA Plan, you represent that plan documents and applicable law authorize voting authority to be reserved to the trustee either in the discretion of the trustee or pursuant to the discretion of a named fiduciary. Unless you and we agree otherwise, you must retain the right to vote proxies for (1) any securities held in an Account at an Affiliated Custodian or an Unrelated Custodian; (2) a Retirement Account, if, in addition to ERISA standards, where applicable, you wish any other proxy voting objectives to be considered; and (3) certain hedge funds.

**Electing the Option to Delegate Proxy Voting Authority to the Proxy Delegation Vendor.** You may elect the option to delegate proxy voting authority to the Proxy Delegation Vendor for any of your Accounts that have a Managed Strategy, a Custom Managed Strategy, a Defined

Strategy or a Personalized Strategy with Advisor Discretion. By making this election, you are delegating proxy voting authority directly to ISS (or its successor) as the Proxy Delegation Vendor for the securities, including Funds in your Account, voting under the ISS Voting Policies that you select. As provided in the Agreement, the ISS Benchmark Guidelines will apply to your Account unless you make a written selection for other ISS Voting Guidelines available to you.

If we replace the current Proxy Delegation Vendor with another Proxy Delegation Vendor, we will provide you with notice of the change. You may choose to rescind the proxy voting authority that you delegated by contacting your Advisor.

**Proxy Voting Authority When the Proxy Delegation Vendor is Unable to Vote.** If you make the Proxy Delegation Vendor election, you are also delegating authority to vote proxies and receive other issuer-related material to MAA or Merrill for Specified Investments with certain exceptions. You will retain the right to vote proxies that are neither covered by the Proxy Delegation Vendor nor included as Specified Investments.

In the event a conflict arises with a Specified Investment, then MAA's or Merrill's authority to vote proxies for that investment will terminate and voting authority will revert to you. In that event, we will use our best efforts to promptly send to you all issuer-related materials for such security held in your Account. Delivery of those issuer-related materials to you will constitute notice that proxy voting authority with respect to a security has reverted to you. In instances where we have determined that it is not possible to send the materials to you given timing or other circumstances, the proxies of such securities will not be voted.

**For any proxy for a security with a record date on or after July 1, 2021, Merrill and MAA will no longer assume or exercise proxy voting authority for clients if such security constitutes a Specified Investment.** For any proxy with a record date on or after this date, if the Proxy Delegation Vendor declines to exercise its proxy voting authority, then the proxy voting authority will revert directly to you. In that event, we take all reasonably practicable action to promptly send to you all issuer-related materials for such security held in your Account. Delivery of those issuer-related materials to you will constitute notice that proxy voting authority with respect to a security has reverted to you.

**Circumstances When No Proxy Voting May Occur.** Generally, MAA, Merrill and the Proxy Delegation Vendor, as the case may be, will not vote in the following circumstances:

- The proxy or other relevant materials are not received with sufficient time in advance for either of us to conduct an appropriate analysis or to timely cast a vote.
- Either MAA, Merrill or the Proxy Delegation Vendor, as the case may be, concludes that the cost of voting the proxy will exceed the potential benefit to you.
- In respect of foreign ordinary securities, if voting may cause the sale of the security to be prohibited under foreign law for a period of time, usually the time between the record and meeting dates.
- MAA, Merrill or the Proxy Delegation Vendor, as the case may be, is unable to obtain supplemental information that it deems necessary to make an informed decision regarding the manner in which to vote.

### ISS Voting Policies and Other Matters

If you direct the Proxy Delegation Vendor to vote proxies, it will exercise the applicable voting authority in its sole discretion in accordance with its proxy voting policies and procedures. The applicable ISS Voting Policies and how ISS voted proxies for securities held in your Account are available at [vds.issproxy.com/3584](https://vds.issproxy.com/3584) (the "Proxy Website"). ISS will vote proxies in accordance with the ISS Benchmark Guidelines unless you elect in

writing, either in the Agreement at the Account Election/Signature Page or otherwise, one of the other ISS Voting Guidelines if available to you (the SRI Guidelines or the Catholic Guidelines). Each of these ISS Voting Policies and Guidelines are updated annually by ISS and are available via the Proxy Website or upon request. ISS has significant relationships with companies on which ISS also furnishes proxy voting advice as part of its proxy voting guideline services. Information relating to ISS' significant relationships with companies whose securities are held in your Account is available by contacting us at [dg.msg-proxy@ml.com](mailto:dg.msg-proxy@ml.com). Additional information about ISS is available on ISS' website at [issgovernance.com](http://issgovernance.com) or by contacting us at [dg.msg-proxy@ml.com](mailto:dg.msg-proxy@ml.com). The ADV 2A firm brochure of ISS is also available at the SEC's website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

## Merrill and MAA Proxy Voting Policies and Other Matters

For any proxy for a security with a record date that is before July 1, 2021, Merrill and/or MAA will exercise the applicable voting authority for Specified Investments in its sole discretion in accordance with its respective proxy voting policies and procedures. These policies and procedures are designed to ensure that proxy voting decisions are made in the best interests of our clients. Each of Merrill and MAA have a proxy voting committee to address proxy voting issues and develop proxy voting guidelines. The respective proxy voting committee may elect to vote a particular proxy in a manner contrary to its generally stated guidelines if it determines that doing so is in the best interest of clients in its judgment.

Merrill's and MAA's exercise of proxy voting authority over Specified Investments may include the submission of votes that have been pre-populated by ISS on the electronic voting platform based on the applicable Merrill or MAA proxy voting guidelines with such votes subject to further assessment based on additional information from issuers or other parties that becomes available to Merrill or MAA before votes are cast. In addition, the MAA and Merrill proxy committees have each adopted specific proxy voting procedures to address potential conflicts of interest. When a potential conflict is identified, the proxy voting committee may choose to manage the potential conflict by retaining an independent fiduciary to advise it on how to vote, by making a best efforts attempt to revert proxy voting authority to the client or by taking other possible approaches as described in the proxy voting procedures. A copy of each of Merrill's and MAA's proxy voting policies and procedures are available upon request. If you would like a copy, or if you would like information about how Merrill or MAA voted securities held in your Account, please refer to [dg.msg-proxy@ml.com](mailto:dg.msg-proxy@ml.com) or contact your Advisor.

As noted in the section "Proxy Voting Authority When the Proxy Delegation Vendor is Unable to Vote", on and after July 1, 2021, Merrill and MAA will no longer assume or exercise proxy voting authority for you for Specified Investments. Where ISS declines to exercise its proxy voting authority for any reason, voting authority will revert from the Proxy Delegation Vendor to you and we will take all reasonably practicable action to promptly send you issuer-related material for your vote.

## Other Proxy Voting Related Information

Clients holding securities of European companies or issuers are also entitled to receive confirmation of proxy votes, which may be requested via [dg.msg-proxy@ml.com](mailto:dg.msg-proxy@ml.com).

As a broker-dealer, Merrill 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 regulation.

## Delivery of Trade Confirmations on a Periodic Basis

You may elect to receive trade transaction information on a periodic basis (at least quarterly) in lieu of trade-by-trade confirmations. To receive

periodic trade transaction information, where permitted, you must make an election in the section "Account Elections/Signature Page" in your Agreement or provide us with a written letter of authorization. This notification election is not available for you to elect when:

- You have selected a Personalized Strategy with Client Discretion.
- You have invested in certain Custom Managed Strategies.
- The assets in your Account are held at an Unrelated Custodian.
- You have enrolled in our electronic delivery service for trade confirmations at [mymerrill.com](http://mymerrill.com), as this service will provide an electronic confirmation on a trade-by-trade basis.

The election to have periodic delivery of trade confirmations will apply to the Accounts you designate until such instruction is changed. Any election will be reflected in your Program Report. You can rescind this instruction in writing at any time. Electing periodic trade confirmation statements will not result in any change to the Program Fee and is not a condition to receiving the Program Services. 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 request interim updates and further details concerning any transaction by calling your Advisor or reviewing your activity through the MyMerrill website at [mymerrill.com](http://mymerrill.com).

## Delivery of Program Materials and Electronic Access

When you enrolled in the Program, you acknowledged in the Agreement that you had received certain Program materials such as this Brochure, your Advisor's and any other Merrill Brochure Supplements, any applicable Style Manager disclosure documents and Profiles, any applicable Fund materials, and, for Retirement Accounts, the Retirement Account Addendum. Additional copies may be requested from your Advisor at any time and will be provided without charge. For your reference and convenience, we have posted this Brochure and a listing of the Style Managers available in the Program and other information at [mymerrill.com/ADV/materials](http://mymerrill.com/ADV/materials).

Certain of our materials, including this Brochure, are accessible to clients as required under the Americans with Disabilities Act ("ADA"). Certain of our Program materials, including your Program Report, will be provided to you in an ADA compliant format upon request to your Advisor.

If you elected to have Style Manager disclosure documents and brochures provided to you electronically through CD-ROM, USB memory stick or other digital media format, we currently provide access to these documents through [mymerrill.com/ADV/materials](http://mymerrill.com/ADV/materials). You may also ask your Advisor for a paper copy of these documents at any time. You may revoke your consent to electronic delivery of Style Manager disclosure documents and brochures and receive paper copies of these documents by contacting your Advisor. From time to time, we may deliver paper copies of documents relating to your Account notwithstanding your Account preference.

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), Program Reports as well as other Program notices and materials, by signing up for electronic delivery via our MyMerrill website at [mymerrill.com](http://mymerrill.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 [mymerrill.com](http://mymerrill.com).

## Rebalancing Service and Automatic Contribution/Withdrawal Service

For any of your Accounts having a Personalized Strategy with Client Discretion, you may enroll at no additional cost in the following:

- The Rebalancing Service—for scheduled automatic rebalancing of selected securities in your Account.
- The Automatic Contribution/ Withdrawal Service—for scheduled contributions to or withdrawals from your Account.

The Rebalancing Service and the Automatic Contribution/Withdrawal Service are referred to as “Automatic Services”. You can enroll in either of the Automatic Services by submitting the required written letter of authorization (the “Automatic Service LOA”). By doing so, you authorize us to effect the chosen scheduled service and related securities transactions (each, an “Automatic Transaction”) on an ongoing basis without making any additional contact with you. Your instructions will continue in effect until any expiration date in the Automatic Service LOA is reached (if applicable) or you change or cancel your instructions, or your Account is terminated. You can change or cancel your instructions at any time. We may terminate the offering of these optional Automatic Services at any time upon prior notice to existing participants.

The Automatic Service LOA supplements your Agreement, sets forth the terms and conditions of the optional Automatic Services and enrolls you in the optional service you select. You should carefully review and understand the terms of the Automatic Service LOA and how it affects your Account before enrolling. Having an Account with an Automatic Service may affect other of your Accounts that enroll in a TEM Overlay Service or invest in a TEM Style Manager Strategy. See “Tax Matters”.

Only certain equity securities, certain Funds (mutual funds, ETFs and NTFs, and publicly traded closed-end funds) and cash and cash alternatives are eligible for these optional Services. We may, from time to time, change which assets will be eligible. For both the Rebalancing Service and the Automatic Contribution and Withdrawal Service, your designations will be recorded on Schedule A to the applicable LOA. If you want to add to, delete or otherwise change your assets subject to the optional Services or your target allocation percentage designations, you must confirm these changes with your Advisor.

Neither Merrill, MAA nor our Affiliates, employees, or agents will be liable for any loss or expense that may result from your use of any of these optional Services. There may be current tax consequences with any transaction occurring under these optional Services. Neither we nor our Advisors provide tax, accounting or legal advice and you should review any planned financial transactions or arrangements with your professional tax or legal advisors for these matters.

## The Program Fee and Other Charges

You agree to pay the Program Fee to Merrill for the Program Services provided under the Agreement for each Account, including the professional services provided by your Advisor. The Program Fee is the sum of:

- The Merrill Lynch Fee—the fee charged by Merrill for the Services at the rate agreed to between you and your Advisor (the “Merrill Lynch Fee Rate”).
- The Style Manager Fee—a fee charged by a Style Manager for a Style Manager Strategy, if selected for your Account, based on the specified Style Manager Strategy rate or based on the applicable rate in the schedule implemented for that Style Manager Strategy (the “Style Manager Rate”).

Each of your Accounts may be subject to a different Merrill Lynch Fee Rate, which will be calculated separately for each Account. For the Style

Manager Strategy selected for an Account, you can find the applicable Style Manager Rate or schedule in the Style Manager Strategy Profile or in the Style Manager Strategy Listing at [mymerill.com/ADV/materials](http://mymerill.com/ADV/materials). Not all Style Manager Strategies have a Style Manager Rate.

Your Program Fee is payable monthly in advance and generally will be calculated based on the value of the assets in your Account as of the last business day of the prior month. The Program Fee does not include all of the charges that may apply to your Account. Please see additional information in “Fees and Expenses Not Covered by Your Program Fee” in this section.

Information about the Program Fee and rates applicable to each of your Accounts will be shown as described in a Program Report that we prepare for you. We will send you a Program Report upon enrollment into the Program and provide an updated Program Report when you enroll any new Accounts, make certain changes to your Account or Portfolio Group and if there are any changes made to your Merrill Lynch Fee Rate (other than, as applicable, as a result of your qualifying for a different rate based on an applicable rate schedule).

For participating Trust Management Accounts (“TMAs”) which are accounts over which BANA has investment discretion, please refer to your trust agreement and/or TMA Brochure and Fee Schedule in addition to this Program Brochure for information relating to fees and expenses and other matters regarding your TMA account.

## Merrill Lynch Fee Component of the Program Fee

The following applies to the determination and calculation of the Merrill Lynch Fee component of the Program Fee:

- Under the Program, the Merrill Lynch Fee Rate cannot exceed the maximum rate of 2.0% (the “Maximum Merrill Lynch Fee Rate”).
- You and your Advisor may agree to a Merrill Lynch Fee Rate that is less than the Maximum Merrill Lynch Fee Rate. The extent to which we may agree on a fee rate that is less than the Maximum Merrill Lynch Fee Rate is solely within your Advisor’s and our discretion and is subject to our policies regarding the Program.
- The Merrill Lynch Fee Rate applicable to your Account may vary from month to month based on the value of the assets in your Account, or as you may otherwise agree with your Advisor, but generally will not change within any given month.
- The Maximum Merrill Lynch Fee Rate is subject to change from time to time, upon notice to you. Your continued use of our Services will constitute your agreement to the change in the Merrill Lynch Fee Rate.
- If you and your Advisor agree to a change to the Merrill Lynch Fee Rate, we will provide you an updated Program Report to reflect this change. Your continued use of our Services will constitute your agreement to any such change to the Merrill Lynch Fee Rate.

In our discretion, we may consider the assets in your Account and certain assets and liabilities held by you at Merrill and/or held by others at Merrill in determining the applicable Merrill Lynch Fee Rate from month to month. Our consideration of these assets and liabilities may result in a Merrill Lynch Fee Rate that is lower than the one that would have been applicable to your Account if the value of the assets in your Account were only used in making such determination. If such other assets and liabilities are considered, the Merrill Lynch Fee Rate applicable to your Account may vary from month to month based on the fluctuations in the value of these other assets and liabilities. At any time, we may decide to no longer consider those other Merrill assets and liabilities in determining a Merrill Lynch Fee Rate for an Account.



## Style Manager Fee Component of the Program Fee

The following applies to the determination and calculation of the Style Manager Fee component of the Program Fee:

- A listing of the Style Manager Strategies available in the Program and the associated Style Manager Rates (including as listed in a schedule) may be reviewed at [mymerill.com/ADV/materials](http://mymerill.com/ADV/materials) or you can obtain a copy from your Advisor.
- The Style Manager Rates will vary depending on the Style Manager Strategy. The Style Manager Rates (and the maximum Style Manager Rates in the Style Manager Rate schedules, if applicable) generally range from 0.00% to 0.65%. If a Style Manager Strategy has a Style Manager Rate above 0.65%, you will be provided with prior notice.
- The Style Manager Rate (including the rates in the Style Manager Rate schedule) may change from time to time and you will receive notice of any Style Manager Rate increase for a Style Manager Strategy.
- For a Style Manager Strategy with a Style Manager Rate schedule, the Style Manager Rate applicable to your Account may vary from month to month based on the value of the assets in your Account. For these Style Manager Strategies, we will not automatically send you a document with the applicable Style Manager Rate for an Account for a billing cycle, initially or on an ongoing basis; however, you may request this information from your Advisor.
- If the Program Strategy selected includes a combination of Style Manager Strategies, each applicable Style Manager Rate will be applied proportionately to the value of your assets in your Account with each Style Manager Strategy. In the event that the actual asset allocation is not available, the strategy allocation of the Style Manager Strategies (instead of your actual allocation) will be used to calculate the Style Manager Fee component of the Program Fee.

For Style Manager Strategies that have a Style Manager Rate schedule, in addition to the assets in your Account for which the Style Manager Strategy is selected, we and the Style Manager may consider certain other assets held by you and/or others in the Program relating to the Style Manager in determining the applicable Style Manager Rate from month to month. The consideration of these other assets, which is at our discretion, may result in a Style Manager Rate that is lower than the one that would have been applicable to your Account if the value of the assets in your Account were only used in making such determination. If such other assets are considered, the Style Manager Rate applicable to your Account may vary from month to month based on the fluctuations in the value of these other assets. At any time, we and a Style Manager may decide to no longer consider other Program assets in determining a Style Manager Rate for an Account selecting a particular Style Manager Strategy.

## Payment of the Program Fee

Unless otherwise agreed to between you and Merrill in writing, the Program Fee and any other fees payable under the Agreement will be deducted directly from your Account.

**Initial Program Fee Assessment.** 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 Program Strategy you select. The initial Merrill Lynch Fee component of the 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 (1/12) of the annual Merrill Lynch Fee Rate applicable to such value, prorated based on the number of days remaining in the month from the date of required funding.

The initial Style Manager Fee component of the Program Fee will be calculated based on: (1) the value of your assets in your Account for each

Style Manager Strategy 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 (1/12) of the annual Style Manager Rate applicable to such value, prorated based on the number of days remaining in the month from the date of required funding.

**Monthly Program Fee Assessment.** After the initial Program Fee, the Program Fee is typically charged to your Account during the first week of the current calendar month. The Merrill Lynch Fee component 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 (1/12) of the annual Merrill Lynch Fee Rate applicable to such value.

Similarly, after the initial Style Manager Fee, the Style Manager Fee component will be calculated based on: (1) the value of your assets in your Account for each Style Manager Strategy as of the last business day of the previous calendar month and (2) one-twelfth (1/12) of the annual Style Manager Strategy Rate applicable to such value.

The following changes to your Account that may occur during the month will not change the Program Fee calculated for the month but will be applied in determining the next month's Program Fee. These include but are not limited to:

- Changes in the value of your Program Account.
- Fluctuations in the value of your assets and liabilities that we, in our discretion, have decided to consider or to no longer consider in calculating the Program Fee.
- Changes in the Program Strategies or Style Manager Strategies selected or your allocations among them.
- Changes in the Merrill Lynch Fee Rate and Style Manager Rate or Style Manager Rate Schedule.

## Termination of Your Account and Effect of Certain Program Strategy Changes

**Strategy Changes.** If you or we terminate your Account or if you make certain changes to your Program Strategy, 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 or Program Strategy change. For certain Program Strategy changes, we consider the change as an initial enrollment into the new Program Strategy and we will calculate the Merrill Lynch Fee and any Style Manager Fee for the remainder of the month of the change as outlined in the section "Initial Program Fee Assessment." For more information about Account termination, see "Funding and Operation of Accounts."

## 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 Portfolio. The Program Fee you pay covers the Program's Services, including investment advice and guidance under the Program, as well as ancillary services such as our brokerage services relating to your Accounts. These services include trade execution, clearance and settlement of transactions, custody of assets, annual underlying Merrill securities account fee for all Accounts and certain brokerage account fees.

**The full amount of the Program Fee will be charged in accordance with the terms of the Agreement, regardless of your use of any of the Services offered or of the amount of transactions effected in your Account.** The Program Fee that you agree upon with your Advisor is determined on the basis of the value of the advisory services provided. Your Program Fee will not be adjusted for your use of the Services or failure to use the Services, including:

- The level of your trade activity (including low or no trading activity).
- Your choice of a Style Manager Strategy that engages in trading activity away from us.



- Your decision to custody your assets at a financial institution other than Merrill.
- Your determination to not implement or follow the investment advice we provide to you.

Obtaining incidental services through the Program should not be a principal consideration in deciding to enroll or remain in the Program.

### Assets on which the Program Fee is Charged

Except as noted, you will be charged the Program Fee on all assets in your Account, including cash. Generally, all Account values used to determine the Program Fee 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. When utilizing a Style Manager, there may be a difference in the determination of the Account values for the Style Manager Fee versus the Merrill Lynch Fee applicable to your Account.

**Cash Assets.** The Program Fee will be applied to any cash and cash alternatives held within your Account. This includes

- Money market funds and bank deposit products available for purchase in the Program.
- 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 as provided for in the underlying Merrill securities account agreement (“Cash Sweep Program”).
- Cash in your Account due to your having chosen the “no sweep option” as provided for in the Merrill securities account agreement.

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

The Program Fee is in addition to other compensation that we and our Affiliates earn on cash that is held for investment purposes and on cash that is held as part of a cash asset allocation and swept to a cash sweep vehicle 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 the section “Funding and Operation of Accounts—Cash Balances and the Cash Sweep Feature” and the section “Participation or Interest in Client Transactions and Conflicts of Interest—Cash Balances and Cash Sweep Program.”

**Assets Held with a Custodian other than Merrill.** If you maintain the assets in your Account with an Affiliated Custodian or an Unrelated Custodian, we will calculate the Program Fee based on information provided by such custodian, which may use a different method to value the securities in the Account than we do. We will not be responsible for verifying the accuracy of information provided by such custodian regarding your Account or any losses or errors that result from that information. For information regarding the billing methodology used for Accounts with such a custodian (including the circumstances relating to the addition of new Accounts or termination of Accounts), please speak with your Advisor.

**Annuities.** Valuations of Annuities used to calculate the Program Fee will be based on the daily end-of-day contract values provided by the Annuity Issuer. We provide no assurance that the end-of-day contract values given to us by the Annuity Issuer and used to calculate the Program Fee are accurate and we do not verify the Annuity contract values provided.

**AI Funds.** For investments in AI Advisory Units of certain AI Funds, including Private Equity Funds, we generally calculate the Program Fee on the basis of estimated and unaudited net asset values or capital account balances provided to us on a periodic basis by the investment managers. The portion of your Program Fee attributable to an investment in a Private Equity Fund will be calculated based on your capital account balance

(taking into account changes in valuation) in such Fund as it relates to the amount of capital called that you have actually contributed to the Fund at the time the Program Fee is calculated, rather than your total commitment amount.

We use the most current valuations that we have been provided to calculate the portion of the Program Fee attributable to your investments in AI Advisory Units. It is possible that we will be using a valuation that does not reflect the current net asset value of your AI Advisory Units as of the date the Program Fee is actually calculated for your Account. We will not make any adjustments to future Program Fees if the actual net asset value or capital account balance is subsequently updated.

Due to the highly illiquid nature of investments held by most Private Equity Funds, it is not uncommon for the cost of an underlying investment to deviate materially from the value at which such an investment could be liquidated at any time. Therefore, it is possible that the capital account balance used to determine the Program Fee will be higher than what it would be had such investments been valued on the basis of “fair market value” or some other metric. We provide no assurance that the estimated net asset values or capital balances given to us by the investment managers are accurate and we do not verify the valuations provided by the investment managers. For more information about how net asset value or capital balance for the AI Advisory Units is determined by the investment manager, please refer to the offering materials for the relevant AI Fund.

**Precious Metals.** Valuations of Precious Metals held under the Precious Metals Program and used to calculate the Program Fee and applicable service fees will be based on average daily valuations provided by Gold Bullion International, LLC (“GBI”). Daily valuations by GBI will in turn be based on the closing average of the top three indicative bids for the relevant bar type and will not be verified by us.

**Assets Subject to Program Fee Deferral.** We have determined that certain assets purchased in the Account will be subject to the Program Fee on a deferred basis (“Fee Deferred Assets”). Fee Deferred Assets include, but are not limited to, certain securities that are purchased by you in your Program Account through a new-issue offering for which we are paid an underwriting concession or other sales commission under the terms of the new-issue offering and for which your Advisor receives compensation in the form of sales commissions. The Program Fee does not apply to Fee Deferred Assets until one year after the Fee Deferred Asset was purchased in the Program Account.

Please note that any securities purchased (including those purchased in an initial public offering or any primary or secondary new issue offering) in a Merrill account, in an account of an Affiliate or in an account at another investment firm that is moved to or becomes part of a Program Account will be subject to the Program Fee immediately. In such case, you will have paid an up-front commission or transaction charge at the time of purchase and, upon transfer to the Program, you will pay the Program Fee once the security is held in a Program Account. This is the case even as to those assets that would otherwise have been Fee Deferred Assets had they been purchased in a Program Account. Once the security is transferred to a Program Account, we and your Advisor receive compensation in the form of the sales commissions charged at the time of the transaction and from the Program Fee. While the Account is enrolled in the Program, you will receive the Program Services and you will not pay any sales commissions for any subsequent sales transactions that would be charged if held in a brokerage account.

You should assess your own trading patterns, objectives and intention to utilize the Services under the Program to determine whether purchases and sales of Fee Deferred Assets should be effected in your Program Account where the Program Fee will apply after one year, or whether transactions should be effected in a brokerage account where you will pay up-front commissions.

**Excluded Assets.** We have designated certain assets as ineligible for the Program ("Excluded Assets"). These Excluded Assets are not subject to the Program Fee and will not be entitled to the Services in the Program. We may require you to transfer any Excluded Assets out of your Account. Failure to comply with a request to transfer out such Excluded Assets may result in the termination of the Account from the Program. Please note that, consistent with regulation and the terms of the Agreement, we are not an investment adviser or a fiduciary with respect to any Excluded Asset. Commissions or other transaction-based compensation will apply to purchases and sales of Excluded Assets because we have not charged the Program Fee on the value of these securities. This compensation may be more or less than the Program Fee that would have been charged. We reserve the right to designate assets as Fee Deferred Assets or Excluded Assets and to re-designate a Fee Deferred Asset or Excluded Asset as an asset covered by the Program Fee without notice to you.

### Fees and Expenses Not Covered by Your Program Fee

Your Program Fee does not cover the following expenses, charges and costs, some of which are discussed in more detail below:

- Dealer spreads as part of a mark-up or mark-down charge with respect to any principal transaction effected by us or an Affiliate.
- Dealer spreads as part of a mark-up or mark-down charge with respect to any principal transaction effected by us or a Discretionary Manager with an Unaffiliated Investment Firm acting as a dealer.
- Underwriting fees or selling concessions or other transaction charges with respect to any new issue transaction that we or our Affiliate may receive.
- Commissions, mark-ups or mark-down charges, sales charges or penalties charged on purchases and sales of Fee Deferred Assets and Excluded Assets.
- Margin interest and fees and charges, charged by us or third parties, that are imposed for any margin strategy or for any securities that are shorted as part of an options strategy and that are in limited supply (i.e., the shorted securities are "in demand").
- Transfer taxes.
- Exchange, alternative trading system fees, required SEC fees or similar fees charged by third parties, including issuers.
- Electronic fund, wire and other Account transfer fees.
- Custodial fees and expenses associated with your use of an Affiliated Custodian or an Unrelated Custodian.
- Commissions and charges for transactions in foreign ordinary securities and dealer spreads or mark-ups in connection with foreign currency conversions, including in connection with ADRs.
- Fees, expenses and charges of Funds or Fund managers with respect to Fund investments.
- Fees and charges that are specific to Annuity products, including administrative and distribution fees, charges for optional benefits, surrender charges as well as charges for the underlying investment options.
- Any other charges imposed by law or otherwise agreed to by you and Merrill with regard to your Account, including those charges payable to Merrill and/or third parties as described in the Brochure.

For **New Issue Securities** costs, you will pay the public offering price on securities purchased from an underwriter or dealer involved in a public offering distribution. You acknowledge that the public offering price may reflect costs incurred by the issuer in conducting the offering or distribution with such underwriter or dealer, which may be one of our Affiliates.

For **certain transactions effected by a Discretionary Manager** with an Unaffiliated Investment Firm acting as a dealer, the trading-related charges and costs (mark-up/downs, dealer spreads) charged by the dealer are included in the net price of the security. These trading-related charges and costs will not be reflected as separate charges on your trade confirmations or account statements. We will undertake, at your written request, to obtain the amount of this remuneration for a given transaction in your Account.

For the costs related to **foreign ordinary securities transactions** executed outside the United States, a foreign Unaffiliated Investment Firm we use to effect the transaction will assess trading-related charges and costs and, to the extent a foreign currency conversion transaction is required, it will be remunerated in the form of a dealer spread or a mark-up/down. These commissions/dealer spreads are in addition to the Program Fees payable under the Agreement. These trading-related and currency conversion-related charges and costs are included in the net price of the security and are charges and costs that are in addition to your Program Fee. In addition, these charges and costs will not be reflected as separate charges on your trade confirmations or account statements. We will undertake, at your written request, to obtain the amount of this remuneration for a given transaction in your Account.

If you **invest in Funds** as part of your Portfolio, as with any Fund investment, 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. In addition, any Fund contingent deferred sales charge, redemption or other fees imposed by a Fund manager as a result of your 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 fees and expenses that any Fund incurs for transactions occurring within the Fund itself, including commissions and other transaction-related charges incurred by the Fund, even if we or any Affiliate effect these transactions for the Fund or provide services to the Fund. All of these fees and costs may be material. An investor in a fund-of-funds or feeder fund vehicle will also bear a proportionate share of the fees and expenses of each underlying investment fund. Please consult the prospectuses and offering material for the Funds for more detailed information on the amounts charged.

When you trade and hold **Precious Metals** under the Precious Metals Program, you will be subject to transaction and service fees which will be in addition to, and will not be covered or offset by, the Program Fees. A portion of the service fee you are charged by GBI will be allocated between GBI and a Merrill Affiliate, as compensation for ongoing sub-accounting, reconciliation, transaction and related expenses. Valuations of Precious Metals used to calculate these applicable transaction and service fees will be based on average daily valuations provided by GBI. Daily valuations will in turn be based on the closing average for the top three indicative bids for the relevant bar type and will not be verified by Merrill. Please consult the Precious Metals Disclosure Document for this program for further details on the amounts charged and allocation arrangements.

When you invest in **Annuities**, you will be subject to fees and charges that are specific to these products, which may include, but are not limited to, mortality and expense risk charges, administrative and distribution fees, charges for optional benefits, surrender charges as well as charges for the underlying investment options. Over time, your total expenses to own an Annuity in an Account enrolled in the Program may be greater than the total expenses to own a similar Annuity outside your Account.

## Ability to Obtain Certain Services Separately and for Different Fees

### General

You may pay more or less in the Program than you might otherwise pay if you purchased the Services separately. Depending on your asset allocation and Program Strategy selection, certain security types and investment strategies are available to you outside of the Program for more or less than you would pay in the Program. You may also be able to obtain the same or similar Services or types of investments through a brokerage account or other investment advisory programs and services offered by Merrill. These may be available at lower or higher fees than the Program Fee you pay.

You may also be able to obtain some or all of these types of Services from other firms and at fees that may be lower or higher than the fees we charge.

You should discuss the brokerage and investment advisory services we make available with your Advisor to determine which may be most appropriate for you. When you compare the account types and investment advisory programs and their relative costs, you should consider various factors, including, but not limited to:

- Your preference for a fee-based or commission-based relationship.
- Your preference for access to a dedicated Advisor.
- The qualifications of your dedicated Advisor and the Program Strategies and investment solutions that he or she is qualified to make available to you.
- Your ability to access all of the Program Strategy types available in the Program based on how you want to manage your investments and the types of investment solutions and products available to you, including Style Manager Strategies and the ability to retain Authority.
- The types of Style Manager Strategies and other investment products that are available to you in the Program.
- The types of investments available to you through a brokerage relationship with your Advisor and through other Merrill investment advisory programs.
- How much trading activity you expect to take place in your Account.
- How much of your assets you expect to be allocated to cash.
- The frequency and type of client profiling reports, performance reporting and account reviews that are available in a brokerage account and in the other Merrill investment advisory programs.

### The MGI, MGI with Advisor and MEAA Programs

We offer other investment advisory programs, including MGI, MGI with Advisor and MEAA. These programs make available a limited set of Style Manager Strategies that are the same as or similar to those available in the Program. Depending on the Merrill Lynch Fee Rate you have agreed to with your Advisor, having access to these Style Manager Strategies for your investments could be obtained for a lower cost in the MGI, MGI with Advisor or MEAA programs. The services that are provided to you under these programs are different from the Services you receive through the Program in a number of important respects, including the following aspects:

- In the Program, you have access to a broader range of investment products and solutions, including a larger number of Style Manager Strategies, managed by us or by a third party Style Manager.
- In the Program, with your Advisor, you may implement a potentially more customized investment solution for your Portfolio using the Program Strategy options available in the Program as well as access to a number of investment products and solutions.

- In the Program, you have direct access to and advice and guidance from your Advisor whom you have personally selected and chosen to work with to discuss the particular investment strategy and available alternatives.

We have provided you with materials that help to explain the various platforms and programs we offer, including the Form CRS and the "Summary of Programs and Services" available at [ml.com/relationships](http://ml.com/relationships) or from your Advisor upon request.

### The SPA and MAS Programs

Merrill also makes available two other investment advisory programs with investment advisory services offered by third-party investment managers under a separate agreement between the manager and the client:

- SPA, a program providing access to discretionary management services and investment strategies of certain third-party investment managers.
- MAS, a program designed to accommodate a client's selection, of a third-party investment manager that is not currently available in a Merrill advisory program.

There are important differences among this Program, SPA and MAS in terms of the involvement of your Advisor in providing ongoing advice, the services, structure and administration, the depth of research conducted on the managers available in the programs and the applicable fees. You may request a copy of the ADV program brochures for these programs by contacting your Advisor.

## Funding and Operation of Accounts

### Opening and Funding Your Account

By signing the Agreement, you can enroll an Account and then any subsequent Accounts into the Program in the same capacity by providing verbal, electronic or written instructions. You may need to sign a separate Agreement if you want to open an Account in any other capacity. Examples of different capacities include an individual, a trustee of a trust, a personal representative or executor of an estate, a guardian for a minor, a business entity, a non-IRA retirement plan and an endowment.

The effective date of the Agreement for each of your Accounts will be the date of its acceptance by us and will be set forth in the Program Report you receive. Any preliminary discussions or recommendations provided to you before Merrill accepts the Agreement do not constitute investment advice under the Advisers Act and should not be relied on as fiduciary investment advice. The effective date of a Program Strategy change will be the date that the change is entered and noted by the Advisor.

You may fund your Account by depositing cash and/or securities acceptable to us. We may determine in our sole discretion that certain assets are ineligible for the Program or otherwise unacceptable. Failure to comply with a request from us to transfer such assets out of an Account enrolled in the Program may result in that Account's termination from the Program. If we determine any contributed asset is not eligible or is unacceptable, by your execution of the Agreement, you authorize 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.

If you select a Managed Strategy or Custom Managed Program Strategy type for your Account, we will as a general matter sell any assets you may have in your Account in order to invest in accordance with the Style Manager's recommendations. 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.

Only certain Annuities and certain AI Funds, including Private Equity Funds, may be contributed to or held in your Account.

**Special Note about Funding Your Account with Fund Shares.** Before contributing Fund shares to the Program, you should consider the fact that you will have paid a front-end sales charge or may be obligated to pay a contingent deferred sales charges or redemption fee if the Fund shares are redeemed by us in order to invest in the Program Strategy you have selected. These fees, where applicable, will remain your responsibility and will be in addition to the Program Fee.

Each Fund has its own system of Fund share classes for certain types of clients and accounts. The Program-eligible Fund share classes vary depending on the 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 any sales loads and annual asset-based fees. Annual asset based fees include “service fees” or “12b-1 fees” charged by Funds. 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, depending on the Program Strategy you have selected, 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 Agreement, 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. 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 the sale or exchange of these shares with your Advisor.

Depending on your Program Fee, by contributing 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.

Only certain units of certain AI Funds may be contributed to your Account. You may be able to elect to convert such units to AI Advisory Units if permitted under the applicable offering materials.

## Contributions and Withdrawals

**Contributions.** Contributions of cash and securities to your Account may be made at any time. There may be a delay between the date that securities are contributed to a Managed Strategy or a Custom Managed Strategy and the date that MAA invests such funds (and/or liquidates contributed securities, if applicable) in accordance with the applicable Profile and Program guidelines. Neither Merrill nor MAA will be liable for any lost opportunity profits that may result from a delay in investing any contributed securities.

**Withdrawals.** 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 day’s 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. Our ability to liquidate may be impacted by market conditions and events or pending rebalancing or other actions being taken for the Strategies.
- For Managed and Custom Managed Strategy Accounts, if you do not withdraw the proceeds received from a liquidation from the Account within 15 calendar days after the proceeds have settled in

the Account, we may reinvest the proceeds back into the applicable Strategy without notifying you.

- We reserve the right to terminate any Account that falls below the required minimum asset size as reflected in the applicable Profile for a Managed or Custom Managed Strategy.
- Your withdrawal request will be handled as promptly as practicable given other activities that may be occurring at the same time in an Account or Portfolio, like changes to a Program Strategy, a change to the Style Manager Strategy applicable to the Account, any rebalancing transactions in process and other activity affecting the Account.
- Merrill reserves the right to liquidate, redeem or exchange Funds, AI Funds and other securities that are transferred from an Account to a brokerage account.
- In certain circumstances, you may not be permitted to redeem all or a portion of your investment in an AI Fund at the time of your choosing and you may be required to hold such investments indefinitely.
- There is no ability to redeem or withdraw an investment in a Private Equity Fund.
- We will charge the Program Fee on the value of your Account investments (except for certain AI Funds) until the proceeds from any sale or redemption have moved out of the Account.
- For certain AI Funds, all or a portion of your redemption proceeds may not be available to you for a period of time following the effective date of redemption (the date on which the AI Fund has provided as the redemption date for the particular investment (i.e., the monthly or quarterly scheduled date). You will continue to pay the Program Fee on the value of your investment in a particular AI Fund until that effective redemption date.

Frequent withdrawals from your Account may affect the achievement of your investment objectives and taxable gains and losses may be realized as a result of your withdrawal instructions. Your Account’s trading activity may impact available funds for an Account under margin rules. Please see the section “Brokerage and Custodial Arrangements and Services” for additional information.

## Closing an Account and/or Terminating the Agreement

The Agreement may be terminated at any time by either us or you, by providing verbal or written notice. The termination of the Agreement will terminate all Accounts. You may also terminate any Account by giving us notice of such Account termination. Your termination of a particular Account will not automatically terminate any of your other Accounts. Termination of the Agreement will not preclude the consummation of any transaction initiated prior to termination.

Upon termination of an Account or the Agreement, a pro-rata adjustment to the Program Fees for the remainder of the billing period will be made, which may result in your receiving a refund of a portion of the 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 Merrill securities brokerage account agreement.

Termination of your Account will be effective following the completion of processes that may be required to terminate the Account, including any required liquidations. The termination of your Advisor’s employment with Merrill will not automatically terminate the Agreement. In the event that your Advisor is no longer able to service your Account, we will transfer that Account to a different Advisor and you will be notified of any such transfer. Depending on the nature of the account, brokerage services and activities in the brokerage account may be limited. You or any other party acting on your behalf will then have the sole responsibility for the investment of assets in the terminated Account.



In the event of a termination, the Account assets, including Fund investments, will not be liquidated but will be held in your brokerage account. Notwithstanding the foregoing, there are certain Funds, AI Funds and other securities that are not eligible to be held in an account that is not enrolled in the Program. Upon Account termination or termination of the 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 asset-based fees, which will be used to compensate Merrill or one of its Affiliates and your Advisor. If there is higher compensation, this creates a conflict of interest because your Advisor has a financial incentive to recommend that you terminate your Account or move individual positions from your Account to a brokerage account. An investor who holds a more expensive share class of a Fund will pay higher fees over time—and earn lower investment returns—than an investor who holds a less expensive share class of the same Fund. The total cost of purchasing and holding Funds through a Merrill securities brokerage account will be more or less than continuing to invest in Funds through the Program, depending on the amount of your Program Fee and the specific Fund share class in which you invest.

Note that AI Advisory Units of a Private Equity Fund will be converted into another tranche of securities that are subject to fees payable to Merrill or one of its Affiliates. Any liquidation, redemption or exchange will generally be effected as soon as practicable, which may be as soon as the close of the next business day following termination or transfer. For certain securities, such as those traded on a when-issued basis or as odd-lots, the liquidation or redemption process may take longer.

If you hold any Annuities in your Account, upon termination of your Account, Merrill and MLLA will no longer act in any capacity respecting the Annuity, including as broker-dealer of record for such Annuity, custodian (or beneficiary) for such Annuity or as general agent and insurance broker for such Annuity. We will resign all positions and you will have to make alternative arrangements for the holding of this asset. You should discuss the impact of an Account's termination from the Program with respect to an Annuity with your Advisor.

### Cash Balances and the Cash Sweep Feature

At times, your Portfolio will have an allocation to cash based on the Program Strategy selected, the asset allocation and investment determinations that you, your Advisor or a Style Manager (which may be us or a Related Style Manager) have made or in light of current 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 invested in a particular Program Strategy based on, for example, concerns about the market, a decision to pursue a defensive investment strategy, or for cash management purposes.

Depending on the Program Strategy selected for your Account, unless you, your Advisor or a Style Manager direct that your Account's cash allocation be invested in a cash alternative, your Account's cash allocation will be treated as a cash balance in your Account.

Any cash balances will automatically be "swept" in accordance with the cash sweep vehicle available to you (or if more than one is available, as designated by you) as part of your underlying Merrill securities account agreement under the Cash Sweep Program. Under the Cash Sweep Program applicable to your account type, cash balances will be swept to either (1) a bank deposit account at BANA and/or other banks affiliated with us (a "Bank Affiliate"); (2) a designated money market fund; or (3) to any other cash sweep options we make available from time to time.

Unless you have a certain type of Retirement Account or a TMA Account in the Program, the only sweep vehicle currently available to you under the Cash Sweep Program is a bank deposit account at one of our Bank Affiliates. The applicable terms of the available sweep vehicles are described in the disclosures that you received in connection with your underlying Merrill securities account. The current rates and yields are available at [mymerrill.com](http://mymerrill.com) and from your Advisor. Cash balances maintained in Accounts with a custodian other than Merrill will not be subject to these sweep arrangements.

If you have elected the "no sweep" option for the cash balances held in your underlying Merrill securities account, the cash balances in your Account will remain in your Account and will not be swept. If you make this selection, you will not earn interest or dividends on cash balances held in your Account. You will be charged the Program Fee on the cash held in your Account even though you are not earning any interest or dividends on that cash.

Cash balances swept to a bank deposit account at one or more of our Bank Affiliates will be placed in a bank deposit account bearing a reasonable rate of interest that has been established for, and in light of the features of, the Cash Sweep Program. The interest rate paid to you by BANA and other Bank Affiliates on the deposit account will likely be lower than the interest rates available on other deposit accounts at the Bank Affiliates or on comparable deposit accounts at other banks.

Generally, the rate you earn in the bank deposit account through the Cash Sweep Program will be lower than yields on cash alternatives, such as money market funds, that are available to you for investment outside of the Cash Sweep Program. The Bank Affiliates will benefit from their use of the deposits. We or our Affiliates will receive compensation from the Bank Affiliates for the services relating to the Cash Sweep Program and this compensation will be in addition to, and will not reduce, your Program Fee, except as required by law. See Item 4 at the section "Assets on Which the Program Fee is Charged" and Item 9 at the section "Participation or Interest in Client Transaction and Conflict of Interest—Cash Balances and Cash Sweep Program."

Any cash allocations invested in a money market fund, whether through any relevant cash sweep vehicle or as a result of a specific direction by you, your Advisor or a Style Manager, are subject to such money market fund's management, distribution, transfer agent, and other expenses. These fees and expenses are in addition to, and will not reduce, your Program Fee, except as required by law. We receive compensation in connection with any such money market fund holdings. See Item 9 at the section "Participation or Interest in Client Transactions and Conflicts of Interest."

There are alternatives available to you for holding cash and cash alternatives in the Program, including in a brokerage account, a bank account with one of our Bank Affiliates or an account at another banking institution. These types of accounts may offer yields on your cash holdings that are higher than those offered in the Program. By holding cash in these account alternatives, the cash and cash alternative holdings will not be part of any Target Asset Allocation, monitoring or other Program Services and will not be subject to the Program Fee. We will not be considered an investment advisor or fiduciary with respect to any cash held outside of the Program.

### Legal Matters and Related Notifications

We will not advise or act for you with respect to any legal matters (other than proxy voting) for securities held in your Account, including bankruptcies or class actions. As a broker-dealer, we will endeavor to send you any documents received with respect to such matters. You may enroll in the Merrill Class Action Settlement Service, a separate administrative service. Please note that this service is not part of the Program or covered by the Program Fee.



## Tax Matters

**General Tax Matters.** The wide ranging variety of investments that may be covered by the Program makes it impossible to alert you to the tax risks and consequences of each investment. You are responsible for all tax liabilities and tax-return filing obligations arising from the transactions in the Program. You also are responsible for all tax liabilities and tax-return filing obligations arising from all transactions in your Account. We are not responsible for attempting to obtain any tax credit or similar item or preparing and filing any legal document on your behalf. You should review all disclosures you receive associated with the investments held in and transactions occurring within your Account with a qualified tax professional. We do not, and will not, offer tax advice to you and you need to rely on such qualified tax professional in all instances for tax advice.

If you are an investor with special circumstances such as a non-U.S. resident or an entity sensitive to unrelated business taxable income, you should also discuss with your qualified tax professional the tax consequences of each investment to be held in your Account as there may be additional tax withholding, reporting and payment obligations which may result from such investments. Special tax rules may apply to the investments themselves which may result in unique tax consequences to you. In some circumstances, certain tax elections may be able to be made that will affect the tax consequences arising from such an investment. Certain investments (such as master limited partnerships) may result in tax consequences to investors that are subject to tax on unrelated business taxable income and you will be responsible for the reporting and filing of tax returns and the payment of the associated income tax resulting from such investments.

You should be aware that tax consequences may arise when Portfolio changes occur such as rebalancing, liquidations and redemptions, and as a result of any action undertaken as part of a TEM Overlay Service or a TEM Style Manager Strategy (each a "Tax Efficient Management Offering"). 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 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 Account, when we resume normal trading activity in your Account, 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 and not as part of a Tax Efficient Management Offering, 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; (2) 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 the losses. We are not providing any tax advice with respect to the effects of these transactions including whether a loss has been disallowed pursuant to the wash sale rules under the Code and we do not take into account the trading activity in any of your other accounts, including your other Accounts in the same Portfolio Group, any other Accounts you may have in the Program or any accounts you have with Merrill or its Affiliates or third parties. 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.

## Special Risks and Limitations Associated with TEM Overlay

**Services and TEM Style Manager Strategies.** We have made available to eligible Accounts the ability to select TEM Overlay Services provided by MAA and the ability to select TEM Style Manager Strategies. There are risks and limitations associated with Tax Efficient Management Offerings and these limitations may result in tax-inefficient trades and wash sales. Clients will be required to sign a TEM LOA in connection with selecting Tax Efficient Management Offerings for their Accounts. The TEM LOA and related disclosures, including Profiles and materials describing the TEM Overlay Services, provide information about the offerings as well as the risks and limitations and you should read them carefully.

***You should consult your tax and/or legal advisor prior to enrolling in any Tax Efficient Management Offerings, as well as on an ongoing basis to determine whether the wash sale rules, the straddle rules, or other special tax rules could apply to your trading activity.***

Generally, under the wash sale rules, if you sell a security for a loss and you repurchase the same (or a substantially identical) security either 30 days before or 30 days after the date of sale, the loss is disallowed. In addition, other tax treatment rules, such as the straddle rules, may disallow losses. There is little authority governing whether an ETF or mutual fund replacement security is "substantially identical" to another ETF or mutual fund security for purposes of the wash sale rules. As such, no assurances can be provided that if we or a Style Manager choose an ETF or mutual fund security as a replacement security to the sold security, the replacement ETF or mutual fund security will not be deemed "substantially identical" for purposes of the wash sale rules.

The Tax Efficient Management Offerings apply on a per-Account basis only and only to the Account that has selected the particular Tax Efficient Management Offering. Please note, however, that the wash sale rules apply to securities transactions in not only that Account but also to securities transactions in all other accounts held by you, your spouse and certain entities controlled by you and your spouse. The accounts covered under the wash sale rules include all taxable accounts and retirement accounts held at Merrill or an Affiliate that are brokerage accounts and/or accounts enrolled in investment advisory programs, and all securities accounts of any type held with third parties in each case, held by you, your spouse and certain entities controlled by you and your spouse (collectively, "securities accounts"). The Tax Efficient Management Offerings will not take into account trading activity in any of these other securities accounts. If an Account that has selected a Tax Efficient Management Offering is part of a Portfolio Group, the Tax Efficient Management Offering will only apply to activities occurring in that Account and not to the activities occurring in the other Accounts that are part of the Portfolio Group.

The sale of a security for a loss in an Account enrolled in a Tax Efficient Management Offering will not generate a loss for tax purposes if the security or position was part of a wash sale or straddle as a result of trading activity or securities in any other of your securities accounts. In addition, the purchase of a replacement security in an Account enrolled in a Tax Efficient Management Offering may give rise to a wash sale with respect to a security or position in any of your securities accounts (including those of your spouse and certain of your spouse's controlled entities). Similarly, other trades executed in any securities account may also result in a wash sale in the Account enrolled in a Tax Efficient Management Offering. If you have elected to participate in the Automatic Contribution Service, Automatic Withdrawal Service, or Rebalancing Service offered in the Program for certain Program Accounts, the transactions that occur as a result of a Tax Efficient Management Offering may result in wash sales, even in the Account that has selected a Tax Efficient Management Offering.

In applying a Tax Efficient Management Offering to an Account that includes selling securities and investing in strategy-aligned replacements, the performance of any replacement security selected will not be the same as that of the security sold and, in fact, the replacement security may

perform worse than the security sold. Any tax-related benefits that result from a Tax Efficient Management Offering may be negated or outweighed by investment losses and/or missed gains (realized and unrealized) that also may result.

An Account that enrolls in a Tax Efficient Management Offering will generally trade more frequently than an account which has not selected a Tax Efficient Management Offering. There are implicit trading opportunity costs associated with the additional turnover which may affect the returns on your Account.

Tax Efficient Management Offerings may not be appropriate for your financial situation. If you are taxed at lower aggregate marginal income tax rates, you may be less likely to benefit from the Tax Efficient Management Offerings than would an investor taxed at higher aggregate marginal income tax rates. Because you may use capital losses only to offset certain amounts of capital gains that you might have, and possibly, to a limited extent, ordinary income, if you have net capital losses in excess of the applicable threshold, you may not realize as many immediate tax benefits through the application of a Tax Efficient Management Offering to your Account. When selling a security that is held in two or more tax lots, certain overlay services may seek to minimize the capital gains tax consequences of the sale and in doing so may consider the holding periods (long-term or short-term) of the securities sold.

***It is your obligation to monitor transactions across all of your accounts to identify any wash sales or straddles and you are responsible for all tax liabilities attributable to the disallowance of any losses pursuant to the wash sale rules or of any deferral under the straddle rules.*** Merrill and MAA cannot provide any assurances that losses will not be disallowed pursuant to the wash sale rules or deferred under the straddle rules. If you elect to enroll in a Tax Efficient Management Offering, you should consider receiving trade-by-trade confirmations (rather than receiving trade confirmations on a periodic basis), monitoring those confirmations, and, to the extent any security is sold for a loss, refraining from acquiring the same (or a substantially identical) security in your Account or any of your securities accounts. Despite this, it is possible that you may still be subject to the wash sale or straddle rules in any given tax year.

## Item 5. Account Requirements and Types of Clients

### Client and Advisor Eligibility

Clients generally eligible to participate in the Program include individuals, trusts, estates, charitable organizations, banks, insurance companies, thrift institutions, pension and profit sharing plans, corporations and virtually all other types of business as defined by us.

Not all types of investors are eligible for each Program Strategy. Our Advisors do not offer all Program Strategies and investment solutions that are available in the Program to all of their clients. Certain Program Strategy types and certain investment products, including certain AI Funds, may only be made available to clients of qualified Advisors. Certain investment products and solutions are only available for eligible Accounts. If your Advisor is not able to offer a particular Program Strategy, you may be able to access the Program Strategy through another Advisor. You should discuss the Program Strategies and investment products that are available to you with your Advisor.

### Program Minimums

There is generally no minimum asset requirement to participate in the Program; however, certain Style Manager Strategies and TEM Overlay Services require minimum investment amounts as reflected in the applicable Profile or other disclosure document.

## Retirement Accounts

Retirement Accounts subject to ERISA that elect to delegate voting authority to the Proxy Delegation Vendor may not elect as their voting policies the ISS SRI Guidelines or the ISS Catholic Guidelines.

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. We may in the future offer Related Funds in the Program in which your Retirement Account may invest. Any advisory fee or other compensation paid to Merrill or our Affiliates that is incurred in connection with the investment in a Related Fund or any Style Manager Fee incurred in connection with the investment with such Related Style Manager 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 exchanged into a class of shares of the same mutual fund that we deem to be eligible and will thereafter be subject to the Program Fee. The timing of any such exchange 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 an exchange with your Advisor.

If you invest through your Retirement Accounts in AI Funds, you will purchase shares or units specifically structured for Retirement Account investors that do not provide for fee sharing with, or payment of placement or selling agent fees to, Merrill or our Affiliates. Certain AI Funds (or their sponsors or managers) or one or more portfolio companies in which an AI Fund holds an interest may use our services or those of our Affiliates in the ordinary course of business. In such case, we or one of our Affiliates will receive compensation from the AI Fund, a portfolio company or their respective managers (none of which are our Affiliates). If we determine that receiving (or continuing to receive) such compensation constitutes a non-exempt prohibited transaction under ERISA or the Code, we will take action to credit your Program Fee and any other action we deem appropriate and consistent with our obligations, including limiting or prohibiting additional Retirement Account investments in such AI Funds. Taking any of these actions creates an incentive for your Advisor to recommend the sale of your investment in the AI Fund.

If your Retirement Account receives an in-kind distribution (e.g., that is, a distribution that is not made in cash) from the AI Fund, you are responsible for ensuring that your Retirement Account may accept and hold the distributed asset and that no prohibited transaction under ERISA or the Code will result. Merrill will not monitor the ability of Retirement Accounts to receive in-kind distributions from AI Funds and will not be acting as a fiduciary under ERISA or otherwise with respect to an in-kind distribution made to your Retirement Account. You should consult with your tax advisors concerning receipt of in-kind distributions.

## Item 6. Portfolio Manager Selection and Evaluation

### Review and Selection of Style Manager Strategies and Funds Available in the Program

Through the Program, clients have access to Style Manager Strategies and Funds that offer investment solutions with various investment styles and risk. The available Style Manager Strategies and Funds may be managed by a third-party manager or sponsor or by Merrill. As a general matter, we decide whether to include particular Style Manager Strategies and Funds in the Program (or to remove them from the Program) based on a variety of factors, including client needs, investment styles available in the marketplace, platform capacity, client demand and the outcome of certain reviews that are conducted by or under the auspices of Merrill, including through the CIO.

## Initial and Periodic Reviews; Selection of Style Manager and Funds

Initial and periodic reviews of Style Manager Strategies and Funds available in the Program are performed by our product teams through an internal business review. In addition, 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." Currently, there are certain ETFs and Offshore Funds available in the Program that are not covered in the CIO Review Process but are subject to internal business reviews and oversight. Please note that at various points in time, certain Style Manager Strategies or Funds may not be subject to the CIO Review Process. In addition, certain Style Manager Strategies include investment strategies and Funds based on the Style Manager's review process. Those investment strategies and Funds may, but are not required to, be 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 services are generally consistent with the multi-factor 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, we employ a multi-factor process to review appropriate Style Manager Strategies and Funds to meet this need. These factors may include, but are not limited to: organizational structure and stability of a Style Manager or Fund, adherence to investment style, 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. Different weightings may be assigned to each of the factors considered and 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 Style Manager Strategies or Funds. Our reviews may involve in-person visits, telephone conference calls, reviews of performance, and updates of certain Style Manager or 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 Style Manager Strategies and Funds. We do not perform audits of Style Managers or Funds to verify past performance information that the Style Managers or the Funds provide to us.

For each Style Manager Strategy and Fund, we will periodically evaluate factors related to the Style Manager, the Style Manager Strategy and 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 of the Style Manager or Fund in client accounts at Merrill or an Affiliate, the number or percentage of Merrill or Affiliate clients in the Style Manager Strategy or Fund and the asset class involved, among other factors. If we identify concerns regarding a Style Manager Strategy or Fund that we find significant or important, we may choose not to accept any new investments in that Style Manager Strategy or Fund. A drift or variation of the style of management of a particular Style Manager Strategy or Fund from the stated style does not require a removal from our Program offering. Merrill retains the decision-making authority to add or remove a Style Manager Strategy or a Fund from the Program, regardless of, or in light of the results of, any review conducted, including through the CIO Review Process.

Merrill makes available certain Style Manager Strategies implemented by MAA that are based on BofA Global Research investment models or screens. BofA Global Research publishes research reports and ratings

("Research Ratings") on a select group of ETFs and other exchange-traded products (collectively, "ETPs") that are intended to assess the potential for outperformance of ETP peers in the same coverage category. Certain Style Manager Strategies available in the Program include ETPs that are covered by these Research Ratings.

Our product team's internal business review together with the CIO Review Process form the basis for Merrill determining whether to make available ETPs for solicitation by Advisors. In addition, the CIO Review Process determines whether an ETP will be included in a Style Manager Strategy constructed and implemented by the CIO.

The CIO, BofA Global Research and other business units of BofA Corp. apply different methodologies in their review of ETPs and may arrive at different or inconsistent conclusions with respect to one or more ETPs. Neither of our internal business review or the CIO Review Process determinations described above rely on or otherwise use the ETP Research Ratings as an input or factor. It is possible that certain of the ETPs included in the Style Manager Strategies implemented by MAA based on the BofA Global Research-based models or screens may not have been reviewed under the CIO Review Process and such review is not required for ETPs in these Strategies.

Merrill may provide you with information about its review of Private Equity Funds and their managers or sponsors. We may determine on the basis of any review or otherwise to take certain actions, including not making such Funds or sponsors available in the Program. Notwithstanding this review or action, due to the nature of an investment in a Private Equity Fund, you will not have any right to redeem or withdraw from any Private Equity Fund investment. We have no obligation to assist you in transferring or otherwise disposing of your investment in such Fund. You should expect to have to retain each Private Equity Fund investment for the duration of its term, even if we make a determination that such Fund, manager or sponsor no longer meets our criteria for remaining in the Program.

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

## Available Information Regarding Style Manager Strategies and Funds

We make available guidance to Advisors through regular or ad hoc internal publications, including those from the CIO, that reflect our internal opinions and views with respect to a Style Manager Strategy or Fund. Your Advisor is not obligated in all circumstances to take action with respect to any such determination and has the ability to decide not to use or follow this additional guidance and to make independent recommendations with respect to Style Manager Strategies and Funds. You should discuss with your Advisor any questions you may have about our views with respect to a particular Style Manager Strategy or Fund.

For Style Manager Strategies, we receive performance information from the Style Manager for use in the Profiles. Each Style Manager may use different methodologies to select and aggregate accounts for performance reporting purposes (i.e., the development of the Style Manager Strategy composite), as well as different calculation approaches for composite performance results. We make no claim that the Profile performance information has been calculated according to any industry standards. Performance information provided may include hypothetical performance data consisting of mutual fund model results or results of portions of multiple style accounts (such as the equity results of a balanced, equity/fixed-income style). A Profile's performance information can be based on the Style Manager implementing its investment decisions directly and not through MAA. MAA's implementation of investment advice from a Style Manager could result in performance that is materially different from the results that the Style Manager would achieve if it managed your Account directly.



Account performance also may differ for a variety of other reasons, including differences in the types, availability and diversity of securities that can be purchased, regulatory restrictions on the purchase of certain securities, economies of scale and other factors applicable to investments in large accounts, gains or losses caused by currency transactions and other considerations. After considering, among other factors, information and representations provided by the Style Manager, however, MAA believes that the Style Manager's past performance is reasonably representative of the investment style as it will be implemented in the Program by MAA and is sufficiently relevant for consideration by a potential or existing client.

*Please note that any past performance shown on the Profile is not indicative of future results and your investment performance for any Style Manager Strategy in your Account will differ from the information presented in the Profile for that Style Manager Strategy.*

## Strategy Selection and Construction

### General

Style Manager Strategies are generally organized according to a shared characteristic such as asset class or investment style. The Style Manager, whether a third-party investment manager or Merrill, MAA or their Affiliates, will construct the particular managed strategy and select the securities (including, in certain cases, Funds and investment strategies) for its Style Manager Strategy and set the allocations or allocation ranges. For certain Style Manager Strategies, the Strategy's portfolio incorporates the Style Manager's tactical asset allocation over a strategic portfolio that is generally the CIO's strategic asset allocation approach. Please refer to the Profile for additional information about the Style Manager Strategy itself, including further details with respect to portfolio construction and due diligence.

For an Account with a Custom Managed Strategy as the Program Strategy type, depending on the Authority, either you or your Advisor is responsible for constructing the custom managed strategy and selecting the Style Manager Strategies and/or Funds and the allocations for each strategy. The selection of the Style Manager Strategies and/or Funds and their allocations may be based on recommendations of your Advisor. While substantially all of the Funds available under the Program, including in a Custom Managed Strategy Account, have been reviewed for the administrative and operational requirements of our platform, not all Funds are subject to the same review process described in the sections "Review and Selection of Style Manager Strategies and Funds Available in the Program" and "Initial and Periodic Reviews; Selection of Style Manager and Funds."

### Selection and Review of Strategies Where Merrill, MAA or its Affiliate is a Style Manager

The Style Manager Strategies that are available in the Program include those that are constructed, implemented and managed by Merrill or one of its Affiliates and where Merrill or its Affiliate acts as the Style Manager. These Style Manager Strategies include those constructed by Merrill through its CIO, those implemented by MAA based on BofA Global Research investment models or screens and those constructed by BANA through its CIO.

The CIO Style Manager Strategies are constructed based on risk profiles and corresponding asset allocations. The CIO constructs the investment strategies and select the constituent Funds and the allocations or allocation ranges. The CIO develops the asset allocations for the CIO Style Manager 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 CIO Style Manager 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.

The CIO selects constituent Funds 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, the constituent Fund's share price or net asset value, along with the corresponding allocation weighting, are evaluated taking into account the CIO Style Manager Strategy's investment minimum.

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

Style Manager Strategies available in the Program where Merrill, MAA or one of their Affiliates is the Style Manager are subject to internal governance processes and applicable legal restrictions. Under the Program, we make available TEM Overlay Services provided by MAA and may offer TEM Style Manager Strategies for which MAA is the Style Manager. The inclusion of TEM Overlay Services and Style Manager Strategies, including where MAA acts as the Style Manager, is subject to internal governance processes. 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 Style Manager Strategy managed by Merrill, an Affiliate or a third-party Style Manager.

The investment strategies constructed and implemented by an Advisor in an Account enrolled in the Personalized Strategy with Advisor Discretion or the Defined Strategy are not subject to the same level of review that is applicable to Style Managers.

The conflicts of interest and other considerations arising from the use of Style Manager Strategies constructed, implemented and managed by Merrill or any of its Affiliates are discussed at Item 9 in the section "Compensation, Conflicts of Interest and Material Relationships."

## Advisory Services Provided by Merrill, Certain Affiliates and Advisors

For an Account that selects the Custom Managed Strategy with Advisor Discretion, a Defined Strategy or a Personalized Strategy with Advisor Discretion type of Program Strategy, Merrill, acting primarily through your Advisor, will generally act as the portfolio manager as described in Item 4 in the section "Investment Strategy Services Available." In addition, for an Account that selects either a Managed or a Custom Managed Strategy, MAA will generally act as the portfolio manager. If you choose a Related Style Manager Strategy, such Related Style Manager will generally act as a portfolio manager, as described in the applicable Profile for the Related Style Manager Strategy. Please refer to Item 4 in the section "The Managed Strategy and Custom Managed Strategy as Program Strategy Options—Authority of the Style Manager and MAA."

Merrill and MAA act as both the wrap fee program sponsor and the portfolio manager in certain Style Manager Strategies, as described in this Brochure. We both also act as the portfolio manager in other wrap fee programs sponsored by us. Merrill receives the entire Merrill Lynch Fee as described in this Brochure. As explained in Item 4 in the section "The Program Fee and Other Charges," Style Manager Fees are separate from (and in addition to) the Merrill Lynch Fee component of the Program Fee.

We do not retain any portion of the Style Manager Fee unless Merrill or its Affiliate serves as the Style Manager and charges a Style Manager Fee.

We also act as an investment adviser in our other investment advisory programs, like MGI, MGI with Advisor, MEAA, SPA and MAS, which provide investment advisory services that, in certain ways, may be considered similar to the Program Services but are not the same. Additional information about such other programs is available in the “About Us and the Program” and in Item 4 in the section “Ability to Obtain Certain Services Separately and for Different Fees.”

## Performance-Based Fees

The Program does not charge performance-based fees. Certain mutual funds and AI Funds available in the Program, however, may be subject to performance-based fees or varying Fund expense charges that are imposed by the Fund’s manager, adviser or other party that are based on performance of the Fund.

## Methods of Analysis

The implementation and management of any Program Strategy will be dependent upon your Advisor’s investment expertise, philosophy and process. To assist your Advisor, we have made available various resources, including:

- Securities research and guidance prepared by BofA Global Research.
- Investment guidance and management research and publications from the CIO covering macroeconomic and market events and Managed Strategies and Funds.
- Information and assistance from other Merrill internal specialists and support teams.
- Information from selected third-party research providers and other resources.

We and your Advisor may use various securities analysis methods, including fundamental, technical, quantitative and economic analyses and primary source materials, including company management contacts, company releases, financial and trade publications, corporate rating services, annual reports and filings with governmental agencies. Your Advisor may also use other sources of information including, among other things, research reports and market commentary issued by other investment firms that are not affiliated with us.

Your Advisor may use our asset allocation guidance and proprietary model portfolios, including those constructed and managed by the CIO, as a preliminary basis in formulating investment recommendations designed to implement the Program Strategy you choose. 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.

## Investment Strategies and Risk of Loss

Set forth below is a summary description of material risks related to the Services provided in the Program and investment strategies and products that have significant or unusual risks. You should review any investment materials available from your Advisor about investments in your Portfolio, including any prospectuses and other offering material produced by issuers and sponsors of investment products.

### Material Risks Relating to Program Services

**Target Asset Allocation and Monitoring.** Any target asset allocations (including your Target Asset Allocation) or benchmarks, as applicable, referred to in connection with your Portfolio are not intended to be an assurance or guarantee of the performance of any investments in the in the Portfolio or Portfolio itself. There is no assurance that the performance results of any benchmark or index used in connection with

a Style Manager Strategy, including those shown in a Profile, can be attained. Market movements and other factors (including withdrawals from an Account) may result in significant differences between the performance of any Style Manager Strategy and any Target Asset Allocation for your Portfolio.

**Lack of Diversification.** We typically recommend that clients diversify their investments across multiple asset classes, issuers, sectors and industries to reduce the additional investment risk frequently associated with concentrated investments. The Equity-Focused, Fixed Income-Focused and Alternative Investment-Focused Target Asset Allocations options limit the Portfolio to exposure in a specific asset class and limit the diversification benefits offered in other available Target Asset Allocations. You should understand that concentrated portfolios, including Portfolios with a concentration in one asset class, typically result in increased risk and volatility and decreased diversification, which could result in losses. In addition, you may request that we follow certain guidelines or restrictions in your Account that may result in your Account being concentrated in one or a few sectors, industries or securities. We may determine not to accept such guidelines or restrictions.

**Multi-Client Account Portfolio Groups.** All participants in a multi-client Portfolio Group will have access to information about the Accounts that you have included in the Portfolio Group. The management of the Accounts that you include may be affected by the Portfolio Group’s Target Asset Allocation, as well as by the addition and removal of Accounts by other clients participating in the Portfolio Group. The fees and other costs in your Account that is included in a multi-client Portfolio Group may be more or less than if your Account were not in such a Portfolio Group.

**Unsolicited Trading.** Effecting unsolicited trades may limit your Advisor’s ability to make recommendations in accordance with your Target Asset Allocation. If you choose to invest assets in a manner that differs materially from our investment recommendations, you may assume additional risks that result from your decisions. We have no obligation to monitor securities that you include in your Account on an unsolicited basis. If you effect trades in securities that we do not cover for research purposes or about which BofA Global Research has a contrary recommendation, this will be at your own risk.

**Using Your Portfolio as Collateral.** Certain of your Account assets may be “pledged” or used as collateral, if we consent, in connection with loans obtained through certain Affiliated or unaffiliated loan programs, such as the securities-based lending Loan Management Account® and Mortgage 100®/Parent Power® mortgage programs (“Lending Programs”). Risks to your Portfolio will 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, an Affiliate or a third-party lender, the lender’s lien is senior to any rights we or a Discretionary Manager 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) or any Discretionary Manager, 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 Style Manager Strategies Where Merrill or MAA Is the Style Manager.** The Style Manager Strategies available in the Program include those that are constructed, implemented and managed by Merrill, MAA or one of its Affiliates or by your Advisor. These Strategies are not subject to the same level of review that is applicable to third-party Style Managers. The inclusion of Related Managed Strategies and Related Funds in the Program is subject to internal governance processes and any applicable legal restrictions.



**Role of Your Advisor in the Program.** Your Advisor's view of securities, Funds and Style Manager Strategies will be an important factor in determining which securities, Funds and Style Manager Strategies are recommended to you or purchased for your Account. The performance of any Account with a Defined Strategy, Personalized Strategy and/or certain Custom Managed Strategies will be dependent on your Advisor's ability to develop and implement an investment strategy. Before choosing, you should perform your own assessment of the Advisor's ability to manage the investment strategy selected for the Account. There will be Style Manager Strategies available to you in an Account that has selected a Managed Strategy and Custom Managed Strategy type of Program Strategy that may be offered by your Advisor in a Defined Strategy offered for your Account.

Your Advisor has the discretion to manage the assets in a Defined Strategy in a manner that is different from the description provided in the Defined Strategy Profile without your consent. Holdings in your Defined Strategy Account and the asset allocation of the Defined Strategy will be included in your Account statements. You will be notified of any changes in the holdings of your Defined Strategy through your statement and any material changes to the Defined Strategy will be discussed with you. Any such changes as to how the Defined Strategy is managed likely will materially impact the performance of your Account.

### **Material Risks Associated with Investments Available in the Program**

**General.** All investments involve risk, the degree of which varies significantly. Investment performance can never be predicted or guaranteed, and the value of your assets will fluctuate due to market conditions and other factors. Investments made and the actions taken respecting your Program assets will be subject to various market, liquidity, currency, economic and political risks and will not necessarily be profitable. ***You should review the offering materials and other disclosure available for each relevant investment security or transaction to get an appreciation of its associated risks and fees.***

You are assuming the risks involved with investing in securities and other investment products, and you could lose all or a portion of the amount you hold in the Program. For a discussion of conflicts of interest with the use of certain investments and securities, please review this section and Item 9 at the section "Compensation, Conflicts of Interest and Material Relationships."

**Cybersecurity Risks.** With the increased use of technologies to conduct business, Merrill and its Affiliates are susceptible to operational, information security, and related risks. In general, cyber-incidents can result from deliberate attacks or unintentional events and arise from external or internal sources. Cyber-attacks include unauthorized access to digital systems (such as through "hacking" or malicious software coding) 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 a Fund in which your Account invests, issuers of securities and other interests in which such a Fund may invest, counterparties with which a Fund engages in transactions, 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.

**AI Funds and NTFs.** There are risks associated with investments in Alternative Investments, an asset category that includes (1) AI Funds, like hedge funds, interval funds and private equity funds and (2) NTFs. Securities that are deemed Alternative Investments, in general, are speculative and illiquid investments that are subject to a high degree of risk.

Certain AI Funds are only available to certain clients who meet applicable eligibility and suitability requirements and in circumstances approved by us. The offering materials for AI Funds contain material information relevant to making a decision to subscribe to the AI Fund including its investment strategy, liquidity terms, fees and expenses, risks and conflicts of interest, as well as other important matters relating to the AI Fund, its investment manager and their operations.

Investors in Private Equity Funds are subject to periodic capital calls. The failure to make required capital contributions when due will result in severe consequences to you, including, among other things, withholding of distributions and/or causing the interests in the Private Equity Fund to be sold potentially at a significant discount. An investment in a Private Equity Fund generally will be illiquid on a long-term basis, even as compared to other AI Funds, with no guarantee that any distributions will occur and with generally no withdrawal or redemption rights. Most Private Equity Funds have very extended terms (between 8-12 years) and the investment managers or general partners, as applicable, of Private Equity Funds have the ability to extend such terms (often without investor consent) for extended periods of time. Additionally, after the term of a Private Equity Fund has expired, a Private Equity Fund generally will enter into a period of liquidation prior to its termination. The liquidation period of a Private Equity Fund can last for an extended period of time and you will not receive final distributions until the end of such period.

While any Private Equity Fund investment will be part of your Target Asset Allocation for your Portfolio and will affect advice and guidance on potential investments in your Account, given the highly illiquid nature of many Private Equity Funds, your Advisor will not be able to advise you to liquidate the investment or take other direct action on the investment itself.

There are economic differences in the costs of holding a Private Equity Fund investment in the Program as compared to in a brokerage account. Like with any other investment types of securities, none of Merrill or any of its Affiliates will be able to prevent the Private Equity Fund from taking actions that may be detrimental to any investment in the Private Equity Fund. None of Merrill or any of its Affiliates are required to acquire any investment you make in a Private Equity Fund or take any steps to assist you in finding a buyer for any investment in a Private Equity Fund.

NTFs are mutual funds and exchange-traded funds registered with the SEC that are classified as Alternative Investments by us 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 AI Funds 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.** 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 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, they may be sold at a significant discount to their net asset value (NAV), or it may not be possible to sell them in the secondary market. Market and other disruptions also make it difficult for the ETF to accurately price its investments, thereby potentially affecting the ETF's price and performance. 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.

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 will prevent an ETF from achieving its investment objective and cause the ETF's performance to be less than you expect.

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 an Affiliate. An ETF's prospectus contains a description of its fees and expenses.

**Annuities.** Annuities are long-term investments primarily designed for retirement purposes and can offer tax-deferred accumulation with options for downside protection, death benefits and lifetime income. Variable Annuities are securities that offer a range of investment options, called subaccounts, across different asset classes. A Variable Index Annuity offers a choice of index strategies and provides certain protection against downside market risk and limited participation in index gains without directly investing in the market or an index. A Fixed Indexed Annuity is an annuity that offers a choice of index strategies and provides protection against downside market risk combined with limited participation in gains tied to a particular index without directly investing in the markets or an index.

Variable Annuities and Variable Indexed Annuities have market risk because the contract value fluctuates based on the investment performance of the subaccounts selected or the index selected. Because the value of a Variable Annuity and a Variable Indexed Annuity is tied to the performance of the investment options chosen, it is subject to investment risk.

The value of your Annuity will vary and could decline to less than the value of the premiums you have paid. You must pay the Annuity fees, charges and other expenses regardless of how the Annuity performs. Optional guaranteed benefits, which can normally only be elected at the time your Annuity contract is issued, could restrict your investment options and in some cases cannot be reversed. You'll pay additional charges for optional benefits and guarantees, whether or not you use the benefits. If you want to take back the money you've paid in premiums under an Annuity contract, your withdrawal may be subject to surrender charges. These charges are described in the Annuity contract and prospectus/ statement of understanding. In addition, your contract with the Annuity Issuer may include specific guarantees and payment commitments. Those are obligations of the insurer and aren't guaranteed by Merrill or its Affiliates. If the insurer goes out of business, or if it lacks the funds to meet its obligations—including optional guaranteed benefits—you may not receive all of the promised income.

**Brokered Certificates of Deposit.** Brokered CDs are deposit obligations of U.S. depository institutions (each, a "CD Issuer"), that are made available to clients in new issue offerings arranged by participating broker-dealers, like BofAS, our Affiliate. You are responsible for monitoring the total amount of deposits that you hold with any one CD Issuer for Federal Deposit Insurance Corporation ("FDIC") insurance limits. Rates paid on brokered CDs may be lower or higher than the rates available directly through the CD Issuer or through a Merrill brokerage transaction. You should consider the impact of the Program Fee on the yield of any brokered CDs in your Account. Only certain Program Strategies may invest in brokered CDs.

**Market-Linked Investments.** Market-linked Investments ("MLIs") are generally unsecured debt securities of the companies that issue them (each, an "issuer"), which may include, from time to time, an Affiliate of Merrill. Your return on MLIs, including the amount you receive at maturity, if any, will depend on the performance of an underlying market measure, which may include stocks, indices, currencies, commodities or interest rates. MLIs are only available to clients who meet applicable eligibility requirements. The prospectus for an MLI contains material information relevant to making a decision to purchase the MLI, including its economic terms, risks and conflicts of interest.

The economic terms of an MLI include the costs of certain related hedging arrangements that the issuer may enter into in order to meet its payment obligations under the MLI. The terms of the hedging arrangements are set by the hedge provider, which, depending on the MLI offered, may be Merrill or one of its Affiliates or an unrelated financial institution. An investment in MLIs involves particular risks. MLIs are not conventional debt securities, typically do not bear any interest, and are not insured by the FDIC or secured by any collateral. Any payment on MLIs will be subject to the credit risk of the issuer. None of the issuer, Merrill or any unaffiliated third-party broker dealer is obligated to make a market for, or to repurchase, any MLI.

**Precious Metals.** The prices of Precious Metals are volatile and influenced by a wide range of economic, political, market-related and other factors. In addition, investing in Precious Metals is subject to all the risks of holding physical assets (including, without limitation, loss, theft, inaccessibility and corruption), which are generally not relevant to most financial instruments. Purchases and sales of Precious Metals through GBI and the holding of Precious Metals at approved vaults will carry additional risks such as counterparty and custody risks.

**Uncovered Options, Uncovered Call Writing, Short Selling and Options Overlay Strategies.** If you write uncovered options or take action to sell stock short, you will be exposed to potentially significant losses. For a call option, if the value of the underlying instrument increases above the exercise price, you can incur large and unlimited losses until the option expires or other option contract remedies are pursued. For a put option, you bear the risk of loss if the value of the underlying instrument declines below the exercise price. If you write combination or straddle options (where a put and a call option are written on the same underlying instrument), the potential risk of loss is unlimited.

If a secondary market in options were to become unavailable, you could not engage in a closing transaction and you would remain obligated until expiration or assignment. If you do not meet the margin payment requirements described in your option account agreement, we may liquidate stock or options positions in your Account, with little or no prior notice to you. We reserve the right to not approve any Account to engage in uncovered options transactions or short sales. You assume full responsibility for writing uncovered options and selling stock short, including the possibility of incurring unlimited losses, and may discontinue writing options and short selling at any time. Options overlay strategies may be adversely affected by market behavior or unexpected events. Like with any managed strategy, no assurances can be given that these options overlay strategies will accomplish their objectives.

**Margin and Securities-Based Lending.** As disclosed in your Merrill securities account agreement, if you use margin to purchase securities, these collateral for the margin debit will be the assets in your Portfolios and other accounts at Merrill. The costs, risks and other features and conditions of margin and other types of securities-based lending are more fully described in our Margin Lending Program Client Agreement that you must execute before you use margin. We can take certain actions if the value of the collateral supporting the margin debit declines in order to maintain the required equity in the account, such as issuing a margin call or selling securities or other assets maintained at Merrill. We can increase our “house” maintenance margin requirements at any time and we are not required to provide you with advance written notice. You are not entitled to choose which securities or other assets are to be liquidated or sold to meet margin calls and you are not entitled to an extension of time on a margin call. If a margin call cannot be fully satisfied from assets in your Account or other assets at Merrill, you will remain liable for the outstanding debt.

Overall, margin increases the risk of losses in declining markets that negatively affect the value of securities bought on margin. You assume full responsibility for using margin to buy securities and may discontinue the use of margin at any time. If you invest using margin, you assume additional risk, including the fact that your losses may exceed the amount you have in your Account.

## Tailored Investment Advice

Under the Program, you set a Target Asset Allocation for your Account or Portfolio Group based on certain factors provided by you. You can also select one or more Program Strategies for each of your Accounts. You also may request that we impose Reasonable Investment Restriction on an Account. Depending upon the Program Strategy you select, your Advisor will help you select, or will select for you investments which may include, Style Manager Strategies, Funds and/or securities consistent with your Target Asset Allocation, and other information you provide to us.

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 to your 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 an investment or Strategy you select under the Program, by signing the Agreement, you have agreed that the terms of such IPS were amended to incorporate by reference such investment or Strategy.

## Voting Client Securities

You have the right to vote proxies for securities held in your Account or to select a third-party agent (including us or the Proxy Delegation Vendor) to vote on your behalf as further described in Item 4 in the section “Proxy Voting.” For any proxy for a security with a record date on or after July 1, 2021, Merrill and MAA will no longer assume or exercise proxy voting authority in the event that the Proxy Delegation Vendor declines to exercise its proxy voting authority. The proxy voting authority will revert directly to you.

## 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, time horizon and other information relating to your Accounts and Portfolios. We provide this information to Style Managers as necessary and pursuant to the Agreement. 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 Advisor of any updates to such information.*

In the Agreement, you represent to us that you provide us with information that is accurate and complete. Failure to do so could affect the suitability of the services being provided. We will not be required to verify the accuracy of the information. When we receive from you any material changes to the information you furnish, we will provide this information in certain instances to Style Managers.

## 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 you and your Advisor regarding a Style Manager Strategy, if you request. Upon request, Discretionary Managers periodically will make one or more of their advisory or investment personnel reasonably available for consultation with MAA, your Advisor and you for a joint consultation regarding their respective Style Manager Strategy, composition and performance of a Strategy, and the factors underlying the selection of the securities.

## 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. Certain disclosures below relate to disciplinary events that occurred with predecessor firms, Banc of America Investment Services, Inc. (“BAI”) and Banc of America Securities LLC (“BAS”), which each merged with MLPF&S in the 2009-2010 time period. You can find additional information regarding these settlements in Part 1 of Merrill Lynch’s Form ADV at [adviserinfo.sec.gov/IAPD](http://adviserinfo.sec.gov/IAPD).

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 MLPF&S' remedial acts promptly undertaken and cooperation afforded the SEC staff. MLPF&S 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.

On June 21, 2012, MLPF&S, without admitting or denying the findings, entered into a FINRA settlement related to the following: (1) failure to have an adequate supervisory system around billing processes for certain investment advisory programs and, as a result, overcharging certain client accounts during the 2003-2011 time period (client accounts impacted were less than 5% of its total advisory accounts and the aggregate fee overcharge amount was less than one-half (½) of 1% (approximately \$32 million) of the total advisory fees billed during that period); (2) failure to send contemporaneous or periodic trade confirmations to certain client accounts for ten investment advisory programs; (3) having inaccurate or incomplete trade confirmations for certain mutual fund transactions by failing to state the trade capacity as agent or a principal on trade confirmations and account statements; (4) failure to deliver (directly or through a vendor) proxy materials to certain clients or to their designated investment advisers and failure to have an adequate supervisory system to detect this failure (clients impacted constituted less than 1% of its clients during the relevant period); and (5) failure to send margin risk disclosure statements and/or business continuity plans to certain clients upon the opening of their accounts (clients impacted were less than 1% of its clients during the relevant period). In determining the appropriate sanctions, FINRA considered MLPF&S' internal review through which it identified the violations, the remedial measures that it took to correct its systems and procedures, and its efforts to provide remediation to affected clients. MLPF&S consented to the imposition of a censure and a fine of \$2.8 million. All overcharged accounts were reimbursed.

On October 4, 2011, MLPF&S entered into a consent agreement with FINRA regarding its alleged failure 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 MLPF&S 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, MLPF&S consented to the entry of findings, a censure, and a fine of \$1 million.

On June 6, 2009, BAI and BAS, two of our predecessor firms, were enjoined by the United States District Court for the Southern District of New York from violating, directly or indirectly, Section 15(c) of the Exchange Act. The injunction was the result of an SEC complaint alleging that BAI and BAS had violated Section 15(c) by allegedly misleading customers about the nature and risks associated with auction rate securities ("ARS"). Without admitting or denying the allegations, BAI and BAS entered into a consent decree and agreed to a series of undertakings designed to provide relief to certain individual investors. On January 10, 2012, MLPF&S agreed to settlements with the Illinois Securities Department (for alleged activities of BAS and BAI) and the North Carolina Department of the Secretary of State, Securities Division (for ARS activities of MLPF&S) involving the marketing and sale of ARS. In both

actions, it was alleged that the inappropriate marketing and sales of ARS occurred without adequately informing certain customers of the increased risks of illiquidity associated with ARS that constituted an occurrence of dishonest and unethical practices in the offer and sale of securities and failure to supervise. In the Illinois action, MLPF&S agreed, among other things, to repurchase at par certain illiquid ARS and to pay a total fine of \$1,578,321 to the State of Illinois out of a total civil penalty of \$50 million that was to be distributed among the other state regulator parties to an ARS-related consent order. With respect to the North Carolina action, MLPF&S agreed, among other things, to repurchase at par certain illiquid ARS held by certain of its clients and to pay a total fine of \$3,193,552 to the North Carolina regulator representing its portion of a total civil penalty of \$125 million that was to be distributed among the other state regulator parties to an ARS-related consent order.

## Other Financial Industry Activities and Affiliations

Merrill, an indirect wholly-owned subsidiary of BofA Corp., is a leading global investment banking 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 its Affiliate 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 MGI, MGI with Advisor and MEAA.

As registered investment advisers, MLPF&S and MAA complete Form ADVs which they publicly file with the SEC (available at [adviserinfo.sec.gov/IAPD](http://adviserinfo.sec.gov/IAPD)). For purposes of Form ADV Part 2, certain MLPF&S and/or MAA management persons are registered as registered representatives or associated persons of MLPF&S. In the future, certain MLPF&S and 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 MLPF&S to the extent necessary or appropriate to perform their job responsibilities.

BofA Corp. through its subsidiaries and Affiliates, including us, 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) providing research including: 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 the BofA Corp. organization 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, Merrill 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 Merrill and MAA has adopted an Investment Adviser Code of Ethics (the "Code of Ethics") covering its 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 each of Merrill and MAA follows in conducting its respective business with integrity and professionalism. Each Code of Ethics covers requirements relating to employees complying 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 the obligation to report possible violations of the Code of Ethics to management or other appropriate personnel. Covered personnel must certify to the receipt of the Code of Ethics. We will provide a copy of each Code of Ethics to you upon request.

Merrill 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. Our requirements impose certain responsibilities on Advisors and their trading. Advisors are permitted to participate in block trades along with their clients and/or other Program clients.

## Compensation, Conflicts of Interest and Material Relationships

### Benefits to Us and Your Advisor from Your Enrollment in the Program

We (including our Affiliates), your Advisor and other of our employees benefit from the fees and charges paid by you and other clients for the Services described in this Brochure. Advisors receive compensation from us for providing the Services to clients enrolled in the Program and share portions of this compensation with other Advisors with whom they have

made certain arrangements. In general, the amount of this compensation is based upon, and will vary depending on, the amount you have invested in certain of your Program Strategies and the Merrill Lynch Fee Rate you have agreed to with your Advisor for each of your Accounts. Your Advisor's compensation will not be based on the Style Manager Fee, if applicable, that you pay.

The amount of compensation we and your Advisor receive from your enrollment in the Program may also be more or less than the compensation that we and the Advisor would receive if you had instead participated in other of our investment advisory programs or if you had engaged in the investment activities in a securities brokerage account. If there is higher compensation, the 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).

Further, separate and apart from the Program, Advisors receive compensation in connection with their clients' commission-based securities transactions and other activities in their Merrill brokerage accounts, as well from other products and services available through us and our Affiliates. In such cases, we or our Affiliates and Advisors will receive the compensation that is usually associated with or generated by such products, services and transactions. This compensation includes commissions, mark-ups or mark-downs, asset-based or subscription fees, mutual fund sales loads, Rule 12b-1 fees or other remuneration as described in the applicable confirmations, prospectuses, subscription agreements or other offering documents. This compensation is paid irrespective of whether you enroll an account with these securities transactions at a later date into the Program.

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

We address conflicts from compensation described in this section and throughout the Brochure in a variety of ways, including the disclosure of the conflicts in this Brochure. Moreover, our 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, 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.

### Style Manager Affiliated Investments

Certain Style Manager Strategies do not have a Style Manager Rate. As a general matter, for such Strategies, the Style Managers that are third-party investment managers intend to allocate a significant percentage of its portfolio to investment strategies and Funds for which they and/or their Affiliates serve as investment manager ("Style Manager Affiliated Investments"). Style Managers and/or their Affiliates receive fees directly from the Style Manager Affiliated Investments.

These compensation arrangements create a conflict of interest relating to the Style Manager's selection of investments (including from among the Style Manager Affiliated Investments) for the Strategy and the receipt of potentially higher compensation based on the selection. The Style Manager has an incentive to select Style Manager Affiliated Investments

for the Strategy, including Style Manager Affiliated Investments with higher expenses, over other investments (including other Style Manager Affiliated Investments) with lower expenses because the fees that the Style Manager and/or its Affiliates receive for client account assets in the Style Manager Affiliated Investments are their compensation with respect to the Strategy. This conflict of interest may result in a Strategy that achieves a level of performance, or reflects higher fees, less favorable to the Strategy than otherwise would be the case if the Style Manager had not allocated to a Style Manager Affiliated Investment. Please refer to the Profile for additional information.

We attempt to address this conflict through the disclosure in this Brochure and by selecting investment products, Style Manager Strategies and Funds based on the investment merits of the particular investment products and not based on the compensation earned from the providing these services.

### **Sub-accounting Services and Affiliate Compensation**

We only make available mutual funds, money market funds, and Offshore Funds (each, a “fund”) and share classes of funds that retain and pay our wholly-owned subsidiary, Financial Data Services, LLC (“FDS”) for providing the required 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), FDS provides 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.

For U.S. mutual funds, depending on the specific arrangements, FDS receives sub-accounting services fees from or on behalf of the mutual fund of either an asset-based fee of up to 0.15% per annum or up to \$21 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. Money market funds available to certain accounts as an automatic cash sweep option also include a 0.40% asset-based administration fee per annum.

For Offshore Funds, we and our Affiliates, including FDS, perform similar distribution, marketing, shareholder servicing, sub-accounting and related services for which the Offshore Fund’s distributor or other service provider pays asset-based compensation in the form of a bundled fee of up to 0.75% per annum for no-load shares and up to 1.45% per annum for load-waived front load shares of offshore mutual funds and up to 0.015% per annum for offshore money market funds.

Due to applicable regulation, FDS does not retain compensation for sub-accounting services for funds held in Retirement Accounts or TMA accounts.

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 a fee that FDS

determines is appropriate for its services will not be selected, thereby limiting the available universe of funds (and share classes) available to you. In addition, the amount of the fees paid to FDS 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 receive higher sub-accounting payments from fund families that have higher fund assets held in our clients’ accounts as the service fee calculation is based off of the level of the asset holdings. Additionally, FDS benefits financially because the aggregate amount of the sub-accounting fees exceed 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 Advisors on the same basis for all Program assets without regard to the amount of compensation we or our Affiliates receive. 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 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.

### **Arrangements relating to Mutual Fund Share Class and ETFs**

Your assets are generally invested in the lowest cost mutual fund share class eligible for the Program. The Program eligible 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 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 or exchange 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, Advisors do not have an incentive to recommend or select share classes that have higher expense ratios because their 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 Agreement, we will effectuate such 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, money market funds and Offshore Funds, you can review our “Mutual Fund Investing at Merrill Lynch” and “Offshore Mutual Fund Investing at Merrill Lynch” documents, available at [ml.com/funds](http://ml.com/funds) and from your Advisor upon request.

Certain ETFs engage an Affiliate of Merrill as an authorized participant. In that role, our Affiliate engages in creation and redemption transactions directly with the ETF, and is compensated through its market-making activities in the secondary market.

## Certain AI Fund Arrangements and Compensation

Merrill and its Affiliates have negotiated fee sharing arrangements with managers of certain AI Funds available through the Program. Pursuant to these arrangements, except as restricted by law or regulation, we receive additional compensation ("AI Additional AI Compensation"). Any Additional AI Compensation that we or our Affiliates receive in connection with your investments in an AI Fund will be in addition to the Program Fee. We offer and recommend hedge funds and private equity funds where we receive distribution fees from the fund administrator, manager or their Affiliates.

For all feeder funds we make available to our clients, the administrator pays us out of its administrative fee up to 0.875% per annum in selling agent compensation. In addition, the third-party administrator of certain hedge feeder funds receives payments of retrocessions from the underlying manager, ranging from 0.00% to 1.00%, which generally are paid to us as selling agent compensation. For certain hedge feeder fund holdings (which hedge feeder funds are no longer available for purchase), the retrocession fee is up to 4.00%. In the case of a substantial majority of private equity feeder funds, we or our Affiliates have negotiated arrangements with the underlying fund or manager in which the feeder fund invests. Under these arrangements, we receive compensation which is generally based on the capital commitments made by the feeder fund ranging from 0.00% to 3.00%. Merrill also receives additional compensation from certain hedge fund and private equity fund managers in the form of one time up-front payments or periodic flat fee payments (which generally do not exceed \$350,000). Retirement Accounts investing in AI Funds do so through AI Advisory Units specifically structured for Retirement Account investors, which do not provide for fee sharing with or the payment of placement or selling agent fees to Merrill or its Affiliates.

Among other things, our receipt of these payments (1) offsets or reduces the expenses associated with onboarding new hedge funds and private equity funds to our platform; (2) defrays costs incurred in connection with, and in consideration of, certain marketing, operational and investor services; and (3) compensates us for the service of acting as the selling agent on behalf of certain of these funds.

These arrangements, which vary among the hedge funds and private equity funds on our platform, give rise to a conflict of interest in determining which AI Funds to make available to our clients and recommending investments in certain AI Funds over others. Certain AI Funds that may otherwise meet our criteria may not be selected due to an unwillingness by the AI Funds, their managers or Affiliates to pay sufficient compensation to Merrill, thereby limiting the available universe of AI Funds which we offer to you. The presence of this compensation also may cause us to forego opportunities to negotiate more favorable terms for client investments in the AI Funds. You will find additional information about conflicts related to AI Funds, including the exact percentage and method of calculation of distribution fees, retrocessions and other compensation that we receive, in the relevant offering documents and subscription documents.

We address the conflicts of interests associated with these fee sharing arrangements by calculating the compensation paid to our Advisors on the same basis for all Program assets, including the AI Advisory Units, without regard to the amount of such Additional AI Compensation Merrill or our Affiliates receive in connection with the Investments. Additionally, we select the AI Funds and managers that are available on our brokerage and advisory platforms and offered through the Program based on qualitative and quantitative evaluation of factors such as performance, risk management policies and procedures and consistency of the execution of their strategy. We have adopted various policies and procedures reasonably designed to prevent the receipt of the Additional AI Compensation and our other business arrangements from affecting the nature of the advice we provide, although such policies and procedures do not eliminate such conflicts of interest.

## Other Compensation Received by Us and Our Affiliates

**Affiliated Products.** Separate and apart from the Program, Merrill, through its 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, 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. Advisors will, as permitted by applicable law, receive compensation (the amount of which varies) in connection with these products and services.

**Principal Trading and Agency Cross Transactions.** Through its Affiliates (including BofAS), Merrill may execute certain transactions on a principal basis. Transactions that are considered principal transactions include all of our new issue equity and debt securities offerings (including MLI offerings) where we or our Affiliates act as an underwriter, selling group member or placement agent. We may execute secondary transactions in fixed income securities on a principal basis where we or our Affiliates act as a dealer.

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 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 mark-ups, mark-downs, dealer spreads, underwriting discounts, selling concessions 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.

**Cash Sweep Program.** If you hold cash balances in your Account, our Bank Affiliates benefit financially when your cash is held in its bank deposit accounts affiliated with the Cash Sweep Program because bank deposits are used to fund their lending, investment and other business activities. Their profitability is determined, in large part, by the difference between the interest paid on the bank deposit and the interest or other income earned on loans, investment and other assets which may be funded in part by bank deposits. In addition, the Bank Affiliates determine the interest rate paid to depositors in the Cash Sweep Program.

The greater the amount of the cash balance maintained in your Account (which could be as a result of a recommendation from your Advisor, us or a Related Style Manager) that is swept into a Cash Sweep Program bank deposit account and the lower the interest rate paid on the related bank deposit, the more our Bank Affiliates benefit. The interest rate paid to you by our Bank Affiliates will likely be lower than the interest rates available on other deposit account types at the Bank Affiliates or on comparable deposit accounts at other banks. Generally, the rate you earn through the Cash Sweep Program will be lower than yields on other cash alternatives that are available for investment outside of the Cash Sweep Program, such as money market funds.

For Accounts that are eligible for and that elect a money market funds as its cash sweep option, FDS receives compensation for providing infrastructure, marketing support, sub-accounting or other services.

If you choose the “No Sweep” option, we also benefit from the custody or use of uninvested cash balances in your Account. As a registered broker-dealer, Merrill also benefits from the possession or use of any free credit balances in your Accounts, subject to restrictions imposed by federal securities laws and regulations.

**New Issue Offerings.** In the Program, certain eligible accounts can purchase securities made available in new issue offerings. We and BofAS are compensated in connection with new issue offerings. We have an incentive to recommend these transactions to you. One of our Affiliates may be an issuer of a security offered in a new issue offering. We and/or BofAS may serve as placement agent, underwriter, dealer or structurer or otherwise have a financial interest in the offering. When BofAS is part of the underwriting syndicate or selling group, or has otherwise been engaged by the issuer as placement agent or in a similar capacity to offer and sell the securities, BofAS is compensated when you purchase securities we recommend.

For new issue closed-end fund offerings, in addition to underwriting compensation, the closed-end fund investment manager can pay us a structuring fee up to 2.00% of the new issue proceeds for advice relating to the structure, design and organization of the fund, as well as services related to the sale and distribution of fund shares. We can also receive additional compensation from certain investment managers for services the investment manager can request from us, such as after-market support services or information pertaining to industry trends.

**Brokered CD Offerings.** In the Program, we offer new issue brokered CDs sourced from BofAS and from third-party unaffiliated broker-dealers to eligible Accounts. For distribution efforts relating to offerings of new issue brokered CDs, participating broker-dealers, including BofAS, are paid a placement fee negotiated with the CD Issuer that amounts to an annualized rate of between 2 to 30 basis points for each offering. For brokered CDs sourced from BofAS, the full placement fee is remitted by BofAS to us, and the placement fee is then rebated in full to each purchaser. Neither BofAS nor Merrill retains any placement fee from the CD Issuer. As compensation to BofAS for its services in sourcing new issue brokered CDs to be made available for purchase in Program Accounts, we pay BofAS an inter-company service fee. For secondary market purchases and sales, if any, of brokered CDs, Merrill or its Affiliate receive a mark-up/markdown in connection with your purchase or sale of brokered CDs in the secondary market, if any, as is the case for transactions in other fixed income securities.

**Market-Linked Investments.** MLIs are debt securities issued by third parties or by our Affiliates. MLIs are available in new issue offerings where BofAS acts as an underwriter and receives compensation. In addition, the public offering price (which is the price you pay) for an MLI includes compensation to us and BofAS for structuring and distributing the MLI. It also includes an estimated profit credited to our Affiliate from hedging arrangements by the issuer of the MLI, which reduces the economic terms of the MLI to you.

**Precious Metals Program Service Fee Sharing Arrangement.** Under the Precious Metals Program available to you in the Program, our Affiliates share in certain fees charged by GBI, its sponsor, which creates certain conflicts of interest. GBI has agreed to share an amount equal to 0.05% of the service fee with our Affiliate as compensation for ongoing sub-accounting, reconciliation, transaction and related services. (Merrill will also be allocated a portion of the service fee with respect to investments by its brokerage clients in the Precious Metals Program.) Such relationships and fee-sharing result in a conflict of interest in Merrill's retaining GBI and/or recommending investments in Precious Metals through the Precious Metals Program. The presence of these compensation arrangements creates an incentive for us to recommend the Precious Metals Program to our Program clients over other alternative means of investing in Precious Metals.

## **Relationships With Asset Managers, Sponsors and Style Managers**

**Third-Party Firm Business Relationships.** We and our Affiliates have business relationships with investment managers, including Style Managers, Fund managers, distributors and sponsors, and insurance companies and other product providers (“Third-Party Firms”). We or our Affiliates may effect transactions in the ordinary course of business for a mutual fund or an AI Fund offered through the Program (and if applicable, a portfolio company in which an AI Fund may hold an interest). Any compensation paid to us or our Affiliates by the fund manager or sponsor or any of their Affiliates is additional compensation to us for services we and our Affiliates provide to them. Third-Party Firms may direct their clients' transactions to us. We may also make available to them research, execution, custodial, pricing and other services in the normal course of business. Any compensation paid to us or our Affiliates is additional compensation to us for services we and our Affiliates provide to them.

Merrill has agreements with Third-Party Firms relating to the offering and distribution of Third-Party Firm investment products to our clients. Merrill works with Third-Party Firms to provide information to our Advisors about investment products of Third Party Firms that are available in a securities brokerage account or through our investment advisory programs.

It is possible that these Third-Party Firm relationships create a conflict of interest and 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 Advisors on the same basis for all Program assets without regard to the amount of compensation we or our Affiliates receive. 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 or compensation. Additionally, we and our Affiliates select funds that are available through the Program as well as in our brokerage account 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 Advisors provide, although such policies and procedures do not eliminate such conflicts of interest.

**Third-Party Firms' Cost Sharing for Training Events and Other Meetings.** Certain Third-Party Firms periodically participate in Merrill-hosted or Affiliate-hosted internal training and education conferences for Advisors and other personnel as well as in conferences that Merrill or an Affiliate hosts for clients (each, a “Training Event”). Third-Party Firms electing to participate in a particular Training Event will generally share in the cost of the seminars. The amount that a Third-Party Firm will contribute towards the expenses of a Training Event will vary depending on, among other things, the number of events in which a Third-Party Firm participates. There is no requirement that Third-Party Firms provide any such support or payments in order for their investment products to be made available by us to our clients. For 2020, the total support received from participating Third-Party Firms for these Training Events was approximately \$1.3 million.

In addition, certain Third-Party Firms periodically participate in meetings that provide our Advisors and certain personnel with information on their platform of products and services and with the opportunity to interact with their management and investment personnel. They also help to support client and prospect events, like seminars, trade shows and booth events and support charitable events through contributions. These meetings and events typically occur at a location determined by the Third-



Party Firm or at our branch offices. Certain Third-Party Firms share in the costs of these types of meetings and events, subject to a cost sharing cap. They are not permitted to pay for, or contribute to, the cost of, travel, accommodation or continuing education administrative fees for Advisors. For 2020, the total support from participating Third-Party Firms for these types of meetings and events was approximately \$3.8 million.

The participation of, and the cost sharing by, a Third-Party Firm in Training Events and other meetings and events present conflicts of interest because they create incentives for us to recommend products of these Third-Party Firms. The ability to participate and share in the costs of these events is not dependent or related to the amount of assets invested by you or any other of our clients in or with the products or services of the particular Third-Party Firm. Neither we nor our Affiliates incentivize Advisors to recommend the products or services of a Third-Party Firm that contributes to these Training Events and other meetings over those that do not. Further, Third Party Firms are not permitted to condition their payment on any amount of sales of their products or services. However, those that participate in Training Events and other meetings have more opportunities to interact and build relationships with our Advisors and employees which creates a conflict of interest to the extent this leads our Advisors to recommend the products and services of these Third-Party Firms.

**Gifts, Meals & Entertainment; Third-Party Firm Office Access.** We have adopted a policy that restricts Third-Party Firm representatives from providing, and Advisors from receiving, gifts, meals and entertainment, other than items of a promotional nature related to the Third-Party Firm (i.e., logo items, like golf balls, hats). Representatives of Third-Party Firms will, from time to time, meet and work with Advisors and other of our representatives to provide information and support regarding their respective investment products. The Third-Party Firms are not permitted to condition their office visits or promotional gift on any amount of sales of their investment products and Merrill does not incentivize Advisors to recommend or select one investment product over another.

### **Offering of Investments or Programs Managed by Us or Our Affiliates**

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 the 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 Style Manager or a Fund to all 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 Affiliates.

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 offered as an eligible investment in the Program, we would benefit from our economic interest in such entities or their Affiliates when they receive compensation for providing investment advisory, administrative or other services to any such Related Funds. We would address these conflicts by disclosing them in this Brochure.

### **Provision of Diversified Financial Services by Us and 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 investments we and our Advisors recommend or make available to you. Consistent with industry regulations, the services that we and our Affiliates provide include 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 our/its 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 are publicly available in Regulation NMS Rule 606 reports we file with the SEC.

### **Allocation of Equity Initial Public Offerings**

Equity initial public offerings (excluding direct listing offerings) may not be purchased through an Account or through any of our other non-discretionary advisory programs. We allocate investment opportunities in equity initial public offerings among eligible brokerage accounts in a manner we determine appropriate. Given the limited availability and size of these offerings and available allocations, there is a very limited opportunity for our brokerage clients to invest in such offerings and, if they do, clients generally will receive smaller allocations than they requested. Accordingly, clients should not have any expectation that they will have access to initial public offerings or that they will receive an allocation to any particular offering.

There will be instances where certain accounts receive an allocation while other accounts (including similarly situated accounts) do not, and preferential allocations will be given to certain clients based on a number of different factors. In addition, Advisors have the ability to choose not to participate in equity initial public offerings for any clients, or choose not to participate in equity initial public offerings for any clients or may choose to offer participation to only a small group of clients.

### **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.

### **Trade Execution**

**Principal Trade Execution.** As a broker-dealer and a registered investment adviser, we execute certain transactions in your Account, where permitted by applicable law, on a principal basis. Transactions that we conduct on a principal basis include all new issue equity and debt securities offerings (including offerings of MLI) where we or our Affiliates act in an underwriter or placement agent capacity and secondary transactions in fixed income securities, and, where permitted by regulation, transactions involving fractional shares or lots. See "Other Compensation Received by Us and Our Affiliates—Principal Trading and Agency Cross Transactions" in this Item 9.

When, under regulation, your consent is required for principal transactions to occur in your Account, we will only engage in principal transactions with you if you have signed the “Consent to Principal Transactions” form. By doing so, you will authorize and provide your initial written consent to allow us to execute transactions in your Personalized Strategy with Client Discretion Accounts on a principal basis as permitted by law. You have the right to refuse to provide this initial consent or may revoke this initial consent to principal transactions at any time, in writing, by requesting a revocation form from your Advisor. If you do not provide this consent, the inability to trade with us may limit the securities that are available to you and/or may limit your ability to sell securities that are held in the Account at competitive prices.

It is important to note that when you have provided us with your consent to principal transactions, you still make all decisions concerning your Account, including whether we may effect a transaction as principal. When required, we will inform you (orally or otherwise) that we may execute a transaction on a principal basis and, at the time of the trade, you will have the opportunity to withhold your consent and may refuse to authorize your Advisor to proceed with the transaction on a principal basis. Principal transactions may not be effected for Retirement Accounts except in accordance with applicable law.

**Internal Cross Transactions.** In certain cases, if you make an unsolicited request to sell a security, we may, after agreeing on a price with the selling client, recommend the purchase of that security by another client or brokerage customer and execute both sale and purchase transactions simultaneously. Such a transaction involves conflicts of interest similar to those for principal transactions. In addition this type of transaction involves a risk that the Advisor has an incentive to recommend inappropriate trades in order to generate additional income for Merrill and the Advisor or to unfairly favor one client over another. We address these additional conflicts by requiring that the initial sale be unsolicited, that the sale price be agreed upon before recommending the purchase by another client, following procedures intended to ensure that execution of the sale transaction is not unreasonably delayed, and by reducing the normal spread that Merrill would charge on the sale and purchase transactions.

**Agency Cross and other Cross Transactions.** 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 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 Agreement generally gives us permission to engage in agency-cross transactions for your Account, except where prohibited by law. You may revoke your consent to any agency- cross transaction 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 Agreement. Cross transactions generally will be effected at an independently determined market price and will not result in any additional compensation to us.

**Order Flow, Order Routing and Rebates.** We do not receive payment for order flow from liquidity providers to which we route our customer orders in equity securities. We 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 approved by the SEC. In some cases, the rebates received by us from an exchange over a period of time will exceed the fees paid to the exchange.

We also participate in the options order flow programs sponsored by NYSE American Options, NYSE Arca Options, the Cboe options exchanges

and the Nasdaq options exchanges. These exchange-sponsored programs offer payments for listed option orders that are directed to such options markets. 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.

### Participation in Affiliate Lending Programs and Margin

There are of conflicts of interest when we recommend that you use a loan 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.

Specifically, in the case of a margin loan, we receive interest payments on the margin loan, and your Advisor receives compensation based on a percentage of the loan revenue we receive on the margin loans. Likewise, in the case of a loan from an 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. Your Advisor receives compensation based on a percentage of the loan revenue of the Affiliate lender for such loan. Advisors receive greater compensation the more you borrow under a margin or Affiliate lending program and they receive greater compensation if you are charged a higher interest rate.

The lender, whether it be Merrill or an 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. This lien also creates a conflict of interest with respect to the recommendations we make to you. For example, your Advisor may recommend that you allocate your investments to your Account that has an Affiliate lender’s lien rather than to another Account without such lien. Another example is that your Advisor may recommend a less risky investment in order to minimize the risk of loss with respect to the Affiliate lender’s collateral.

Furthermore, your Advisor is compensated based on a percentage of the revenue on the loan. This means your Advisor is compensated based on your borrowing under the lending program, rather than on the compensation your Advisor would receive if you were to liquidate assets held in the Account to meet your funding needs, thus lowering the level of assets held in the Program. In addition, your Advisor will receive a reduction in compensation earned by recommending that you reduce your outstanding loan balance. Please refer to Item 6 at the section “Investment Strategies and Risk of Loss” for additional information.

Certain Program Strategies and investment strategies can involve the use of margin. Merrill will receive compensation in connection with any assets purchased in an Account on margin or other extensions of credit by us, which is in addition to, and does not reduce, the Program Fee. Advisors will receive additional compensation in such circumstances, unless waived, as well as, in limited cases, from rights or tender offers. The additional economic benefit to us from the use of margin creates a conflict of interest.

### Cash Balances and Cash Sweep Program

As further described in “Funding and Operation of Accounts—Cash Balances and the Cash Sweep Feature” in item 4, cash balances may be held in your Account for a number of different reasons, including as part of a Style Manager Strategy’s asset allocation to cash. To the extent your Advisor or Merrill (in its role as a Style Manager) does not select a cash alternative vehicle for your Account’s cash allocation, there is a conflict of interest between you and us because the cash allocation will be maintained in your Account as a cash balance. For most clients, cash balances will be swept to bank deposit accounts at a Bank Affiliate through the Cash Sweep Program.

Bank Affiliates use bank deposits to fund their lending, investment and other business activities. Their profitability is determined, in large part, by the difference between the interest paid on the bank deposit and the interest or other income earned on loans, investment and other assets which may be funded in part by bank deposits. In addition, Bank Affiliates determine the interest rate paid to depositors in their deposit accounts. See “Compensation Received by Us and Our Affiliates-Cash Sweep Program” above.

Unless you have certain types of Retirement Accounts or a TMA enrolled in the Program, the only sweep vehicle currently available to you is a bank deposit account at a Bank Affiliate. The greater the amount of the cash balance maintained in your Account (which may be based on a recommendation from your Advisor, us or a Related Style Manager) that is then swept to a bank deposit account at a Bank Affiliate and the lower the interest rate paid on the related bank deposit, the more our Affiliates will benefit.

The interest rate paid to you by our Bank Affiliates will likely be lower than the interest rates available on other deposit accounts at our Bank Affiliates or on comparable deposit accounts at other banks. Generally, the rate you will earn on a deposit account at a Bank Affiliate through the Cash Sweep Program will be lower than yields on cash alternatives, such as money market funds that are available to you for investment through the Program. When selecting a Strategy for your Account, you should speak with your Advisor regarding cash balances and the management of cash allocations in your Account. For additional information, please see Item 4 at the section “Funding and Operation of Accounts—Cash Balances and the Cash Sweep Feature.”

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. We also calculate the compensation paid to our Advisors on the same basis for all Program assets without regard to the amount of cash balance we or our Affiliates receive. 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 Advisors provide, although such policies and procedures do not eliminate such conflicts of interest.

As a registered broker-dealer, Merrill also benefits from the possession or use of any free credit balances in your Accounts, subject to restrictions imposed by Rule 15c3-3 under the Exchange Act.

### **Activity by Merrill, its Personnel and Affiliates**

From time to time in the course of our and our Affiliates' business dealings described in this Brochure, 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, and for Fund managers and Style 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.

From time to time, a shareholder of BofA Corp. may 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 and our Affiliates provide some or all of the same services offered in the Program through other financial firms, either with Affiliates or with firms that are unaffiliated. Certain of these services have fee rates that

differ from the Program Fees. 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 benefit from such securities positions or transactions.

We have entered into agreements with unaffiliated third-party investment managers that compensate us for referring clients with brokerage accounts to them. Any such referral is separate from the Program. A recommendation by your Advisor for you to participate in such a separate third-party advisory arrangement creates conflicts of interests between you and us, including your Advisor.

The costs associated with the services provided by such firm to you, including any management fees paid to the unaffiliated third-party advisers or commissions paid to us in connection with the transactions executed in an account outside the Program, are not included in the Program Fees and will result in additional compensation to us and your Advisor. An entity related to Merrill (“Related Entity”) may in the future provide advisory services for one or more Managed Strategies available for selection by you. If a Related Style Manager is selected, we and/or a Related Entity retain both the Program Fee and the Style Manager Fee attributable to the portion of assets in your Account advised by the Related Style Manager (other than with respect to Retirement Accounts). For this reason, a conflict of interest exists when we or your Advisor selects or assists you in the selection of, as applicable, a Managed Strategy (or replacement Managed Strategy, if applicable).

Our employees, including 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, 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.

We address these conflicts in a variety of ways. We disclose these arrangements and conflicts in this Brochure. In addition, we have our policies that require our Advisors 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 actual or 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 Advisors provide, although such policies and procedures do not eliminate such conflicts of interest.

### **Covered Funds 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 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 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 Review and Reporting**

### **Periodic Reviews**

An important part of the Program relationship involves providing you with the opportunity to engage in periodic reviews with your Advisor or a designated member of the team servicing your Portfolio. These reviews provide updates on the progress of your Portfolio and other important information about your investments. See information in Item 4 at the section “Portfolio Reviews, Program Reports, and Information.”

### **Program Reports and Updates**

We will periodically communicate to you important information about your Accounts and assets in the Program. The primary means through which we will communicate with you and memorialize 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 certain changes to the Services you elect, including, but not limited to, when a Portfolio Group is created, Accounts are added to the Program, Accounts are added to a Portfolio Group when certain Style Manager Strategies in a Portfolio are changed, when your Target Asset Allocation for your Portfolio is changed, and when the Merrill Lynch Fee Rate for an Account is changed (other than, as applicable, as a result of your qualifying for a different rate based on an applicable rate schedule).

The information set forth in the initial and each subsequent Program Report is how we reflect the Services that we will provide to you with respect to the assets in your Accounts and pursuant to the Agreement. You should review each Program Report we send to you carefully to ensure that the information reflected therein is accurate and you should contact your Advisor if you believe any of the information is, or becomes, inaccurate.

In addition to the Program Report, 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 Program 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 your Advisor.

### **Inclusion of other Accounts in the Program Report**

The Program Report may include your single and jointly held accounts as well as accounts that you and other persons agree to be included in the Program Report. 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.

## **Referral Arrangements**

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, or otherwise refer prospective clients to us. Each such marketing arrangement is governed by a written agreement between us and the applicable third-party, and will be disclosed to you, as required by law.

We have entered into solicitation arrangements with certain third-party entities to refer prospective clients to us (“Solicitors”). Generally, the fees paid to Solicitors will be paid from investment advisory fees received and retained by us relating to your Account. This fee will generally be a percentage of the investment advisory fee ordinarily credited to your Advisor for the applicable account. We will pay this fee to the Solicitor from the date you establish an Account in the Program for as long as your Account remains enrolled in the Program and the agreement between us and the Solicitor is effective. If we terminate the agreement with the Solicitor for certain reasons, we continue to pay the Solicitor for a period of time after termination. We will not increase the fees you pay as a result of our payments to the Solicitor.

Our employees may refer advisory clients to BANA, and other Affiliates for products and services. 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. For more information, see the section “participation or Interest in Client Transactions and Conflicts of Interest—Activity by Merrill, its Personnel and Affiliates”.

## **Financial Information**

Not Applicable.



## Glossary

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

**"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.

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

**"AI Advisory Units"** means a class, tranche or series of interests, units or shares or interests in a separate fund that has been structured specifically for clients subscribing to certain AI Funds.

**"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).

**"Alternative Investment Funds" or "AI Funds"** means those Funds (other than ETFs and NTFs) that we designate as in the Alternative Investment asset category, including: hedge funds, Private Equity Funds, managed futures funds, real estate funds, real asset funds, commodity pools, interval funds, or any other Fund that invests in: alternative asset classes or other Funds that invest in whole or in part in any of the foregoing types of Funds.

**"annual asset-based fees"** means any service fees or Rule 12b-1 fees paid for the distribution of mutual funds pursuant to a plan made under Rule 12b-1 under the Investment Company Act.

**"Annuity"** means an insurance product that through a legal contract with an Annuity Issuer can offer owners guaranteed lifetime income, tax-deferred accumulation potential and downside protection for owners or their beneficiaries, including a Variable Annuity, a Variable Indexed Annuity and a Fixed Income Annuity.

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

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

**"Cash Sweep Program"** means the program associated with your securities account whereby cash balances in your Account are automatically swept into a cash sweep vehicle in accordance with the terms of your Account type.

**"CIO"** means the Chief Investment Office of MLPF&S. For certain Style Manager Strategies, "CIO" refers to BANA, as described in the Profiles of those Style Manager Strategies.

**"Discretionary Manager"** means a Style Manager that has full or partial discretion to effect transactions for your Account with us, our Affiliates or an Unaffiliated Investment Firm and to determine the securities to buy, sell or hold in its Style Manager Strategy.

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

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

**"Fund"** means a registered and unregistered investment company, including a mutual fund, money market fund, an Offshore Fund, a closed-end fund, an ETF, an AI Fund, a real estate investment trusts and any other pooled investment vehicle.

**"Investment Company Act"** means the Investment Company Act of 1940, as amended.

**"MAS"** means the Managed Account Service, an investment advisory program.

**"NTF"** means a nontraditional mutual fund or ETF registered with the SEC that is classified as an Alternative Investment by us.

**"Offshore Fund"** means a Fund that is not organized within the United States jurisdiction, is not registered under the Investment Company Act, and the securities of which are not SEC-registered.

**"Program"** means the Merrill Lynch Investment Advisory Program.

**"Program Report"** means a periodic communication sent to you that contains important terms, conditions and information about your Portfolios, Accounts and Strategies.

**"Program Strategy"** means one or more investment styles or disciplines available in the Program, which include Managed Strategy, Custom Managed Strategy, Defined Strategy, Personalized Strategy with Advisor Discretion and Personalized Strategy with Client Discretion.

**"Risk Tolerance"** means is a reflection of your tolerance for potential loss of some or all of the assets in your Portfolio in exchange for greater potential returns and expressed in three gradations: Conservative, Moderate and Aggressive.

**"Registered Fund"** means any Fund that is registered under the Investment Company Act.

**"Related Entity"** means any an entity related to Merrill, which may be an Affiliate and **"Related Fund"** means any Fund sponsored, managed, or advised by us, a Related Entity or any of our Affiliates.

**"Related Style Manager"** means any investment manager that is a Related Entity.

**"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 Code.

**"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.

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

**"Specified Investments"** means those securities (other than Funds) that the Proxy Delegation Vendor is unable to vote under its policies.

**"Style Manager"** means an investment adviser, which may be Merrill, its Affiliate, a Related Entity or a third-party that provides MAA or a client's Account with advice regarding the securities or other property to be purchased or sold in an Account. They may be registered with the SEC or exempt from registration with the SEC.

**"Style Manager Strategy"** means an investment strategy that is constructed by a Style Manager that may include as a part of that strategy specific asset classes or asset types such as securities, Funds, other Style Manager Strategies, or a combination thereof.

**"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.
- Equity Focused – Portfolio consists primarily of equity securities with the assumption of significant amount of portfolio volatility and risk of principal loss.
- Fixed Income Focused – Portfolio consists primarily of fixed income securities with the assumption of investment returns that are low or, in some years, negative, in exchange for reduced risk of principal loss.
- Alternative Investment Focused – Portfolio consists primarily of Alternative Investments with the assumption by a client of a significant amount of portfolio volatility and risk of principal loss.

**"Time Horizon"** means the timeframe you plan to hold Account assets until possible sale, segmented into the time spans of 0–1 Years, 1–5 Years, 5–10 Years, and 10+ Years.

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

**"Unrelated Custodian"** means a custodian that is neither Merrill nor an Affiliate of Merrill.