

MAS Investment Manager Strategy Step Out Information Document

Merrill Lynch Managed Account Service™ (“MAS”) is offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill”, “we” or “us”) as an accommodation for clients who select third-party investment managers (“Investment Managers”) and strategies that are not currently available in a Merrill investment advisory program. An Investment Manager executes trades on behalf of MAS clients. Investment Managers generally have the authority to trade all or a portion of their trades through a broker, dealer or bank other than Merrill or its affiliates (an “Unaffiliated Investment Firm”). This document provides information to clients about Investment Managers that, with respect to the time period noted below, have: (a) informed us that they have, either regularly or on a limited basis, traded through Unaffiliated Investment Firms; or (b) not provided us with any information about whether or not they have traded through Unaffiliated Investment Firms. This practice is known as “trading away”, and such trades by Investment Managers with Unaffiliated Investment Firms are commonly referred to as “step out” trades.

We make no representations regarding the qualifications of your Investment Manager. In MAS, we do not and will not conduct any due diligence, or ongoing monitoring of, any Investment Managers. We do not endorse, recommend or other suggest that your Investment Manager will make suitable investment decisions for you. We do not undertake to investigate or monitor the suitability of your Investment Manager’s investment decisions.

Trading-Away and Step-Out Trades

Certain Investment 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/ mark-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 the annual asset-based fee a client pays to Merrill for the MAS service (“Merrill Lynch Fee”).

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 the client’s Merrill Lynch Fee. Clients should understand that they, rather than Merrill Lynch, its affiliates or the Investment Manager will bear the cost of these trading-related charges and costs. In addition, these trading-related charges and costs will not be reflected as separate charges on the client’s trade confirmations or account statements. We will undertake, at your written request, to obtain the amount of this remuneration for a given transaction in the client’s Account. For additional information related to trading-related charges and costs, please review the MAS brochure.

Information on Trading Away in MAS

Below are two charts.* Chart #1 lists the strategies for which the relevant Investment Manager informed us that it exercised its full or limited discretion to execute trades for MAS accounts through an Unaffiliated Investment Firm in the 2020 calendar year. Chart #2 lists Investment Managers that did not provide us with any information about whether or not they executed trades for MAS accounts through an Unaffiliated Investment Firm in the 2020 calendar year. Therefore, if your Investment Manager/Strategy is not listed in either Chart #1 or Chart #2, this means that that it informed us that it did not execute step out trades for MAS accounts during the below time period.

The information provided in Chart #1 is based solely on information that has been provided to us by the Investment Managers at their discretion. We have not independently verified such information. An Investment Manager’s past trading away practices are not a guarantee that such Investment Manager will continue to follow the same practices in the future. It is possible that an Investment Manager that informed us that it did not trade away from Merrill for the below time period (and therefore is not listed) may have performed step out trades after such time period, may perform step out trades in the future or that the Investment Managers for the strategies listed below may perform step out trades more or less frequently than indicated during the below time period. Therefore, the fees or additional expenses associated with trades placed by an Investment Manager and executed by an Unaffiliated Investment Firm in the future may be greater than or less than during previous periods. Note that if your Investment Manager is listed in Chart #2 below, it is unknown whether or not they performed step out trades for MAS accounts during the below time period. Whether your Investment Manager/Strategy is listed in Chart #1, Chart #2 or not at all, as stated above, past practices are not a guarantee of future practices. Clients should contact their Investment Manager to obtain additional information about their trading practices. Please also review the Investment Manager’s Form ADV, Part 2A brochure which contains more detailed information about the Investment Manager’s brokerage practices before selecting a strategy offered by an Investment Manager.

* This document only includes the information described for Uncovered Investment Manager Strategies that had MAS accounts enrolled in them as of 1/1/2021

Chart #1: Uncovered Investment Manager Strategy Step Outs

Investment Manager Strategy	Dollar weighted percentage of step out trades for Investment Manager Strategy performed in 2020	Additional cost incurred by clients participating in step out trades
ABNER HERRMAN & BROCK (MAS)	99.00%	None
ABNER HERRMAN & BROCK TAX(MAS)	99.00%	None
Advisors Capital (ACM) - Balanced	0% Equities, 100% Fixed	None
Advisors Capital (ACM) - Muni Balanced	0% equities, 100% fixed	None
BELLE HAVEN - Ladder PLUS	100%	None
BELLE HAVEN - Muni PLUS	100%	None
BELLE HAVEN - Taxable Ladder PLUS	100%	None
CARRET Opportunity	100.0%	\$0.005 per share \$9.00 ticket/service charge
CARRET Taxable	99.8%	None
Churchill-Premier Wealth Tactical	12%	None
Cincinnati Broad Market	100%	None
Cincinnati High Yield	100%	None
Cincinnati Investment Grade	100%	None
Garcia Hamilton Aggregate FI	100%	None
Good Harbor Core(MAS)	92%	None
Good Harbor TacticalCore US	93%	.2 - 1 BPS
GREENWOOD CAPITAL (MAS)	5.66%	.2 - 1 BPS
JAG Capital – FI Inter Duration	100%	.2 - 1 BPS
LDR - Capital - REIT Preferred	100%	\$0.01 - \$0.015 per share
Macquarie - Core Plus FI Inst. (MAS)	100.00%	None
MAS- KAR Small Cap Sustianable Growth	2.69	None
NEUBERGER BERMAN- (MAS)	0% Equity, 100% Fixed Income	None
Neuberger Berman-Core Quality Bias (MAS)	100.00%	\$0.0048 per share
NEWSOUTH CAPITAL Balanced- MID	93%	\$0.0154 per share
NEWSOUTH CAPITAL Balanced-SMID	100%	\$0.0155 per share
Nuveen- High Yield Muni Instit. (MAS)	100.00%	\$0.0146 per share
NUVEEN- INTERMEDIATE TERM MUNI (MAS)	100.00%	\$0.0164 per share
OPPENHEIMER QIA Intermediate	100%	\$0.0130 per share
Parametric- Long Term Public Eq Q1(RBC)- MAS	0-1%	\$0.0096 per share
Parametric- Long Term Public Eq Q2 (RBC002)- MAS	0-1%	\$0.0147 per share
Parametric- Long Term Public Eq Q4 (RBC004)- MAS	0-1%	\$0.0099 per share
Phoenix Convertible Income Strategy	100%	None
Principal -High Yield (MAS)	91.00%	None
Reams Asset Mgmt Low Dur (MAS)	97.52%	None
RSW INVESTMENTS (MAS) - MUNI	100.00%	0 - 6 BPS
RSW Investments (MASO - Muni	100%	None
Schafer Cullen- Enhanced Eq Income Options (MAS)	0.36%	None
SCHAFFER CULLEN INTL VAL (MAS)	3.63%	None
SMC Fixed Inc Mgmt - Muni Int (MAS)	99%	None
SMC Fixed Inc Mgmt - Munint	85%	None
SPA - KAR Samll Cap Sustianable Growth	5.39	None
UBS - Intermediate Muni (MAS)	81.12%	None
WESTERN ASSET -ST SPEC MUNI)	99.00%	None
WINDHAVEN (MAS) - DVRSFD AGGR	100%	None

Investment Manager Strategy	Dollar weighted percentage of step out trades for Investment Manager Strategy performed in 2020	Additional cost incurred by clients participating in step out trades
WINDHAVEN (MAS) -DVRSFD GROWTH	100.00%	\$0.00 - \$0.01 per share
Ziegler - Red Granite LCG (MAS)	100.00%	\$0.04 per share
Ziegler Capital- MVP Small Cap	100.00%	\$0.04 per share

BPS - Basis Points where one basis point equals 1/100th of 1%, or 0.01%

Chart #2: Investment Managers that did NOT provide Step Out Information for 2020 calendar year
MAS Investment Manager