

MERRILL ADVISORY CENTER

Explanation of fees

As of July 30, 2023

As a Merrill Advisory Center client, you work with our Financial Solutions Advisors on a financial strategy designed to help you pursue what matters most to you. As part of your relationship with us, and acting in your best interest, it's important that you understand what the fees are associated with our recommended investment solutions. We believe the better informed you are, the better decisions you can make about what's right for you – whether it's investing through our investment advisory services or brokerage accounts (available to certain eligible clients only).

This Explanation of fees does not include Merrill Edge Self-Directed fees.

Investment Advisory Services:

- Ongoing advice on your investments and trade execution
- Asset-based fee based on a percentage of the assets in your account
- Ongoing monitoring of accounts enrolled in the program as outlined in the program materials

Brokerage Accounts*:

- Access to advice, investment recommendations, trade execution and other brokerage services
- Transactions must be authorized by you
- Transactional fee on individual purchase and sell transactions
- No ongoing monitoring or monitoring services

*The ability to open a brokerage account as a Merrill Advisory Center client and work with an FSA to receive Brokerage Services is limited to certain types of clients and account types based on our internal policies.

Merrill Lynch, Pierce, Fenner & Smith Incorporated (also referred to as "MLPF&S" or "Merrill") makes available certain investment products sponsored, managed, distributed or provided by companies that are affiliates of Bank of America Corporation ("BoFA Corp."). MLPF&S is a registered broker-dealer, registered investment adviser, Member SIPC and a wholly owned subsidiary of BoFA Corp. Merrill Lynch Life Agency Inc. ("MLLA") is a licensed insurance agency and a wholly owned subsidiary of BoFA Corp.

BoFA Securities, Inc. ("BoFAS") is a registered broker-dealer, Member SIPC, and wholly owned subsidiary of Bank of America Corporation.

Banking products are provided by Bank of America, N.A., Member FDIC and a wholly owned subsidiary of BoFA Corp.

Investment products offered through MLPF&S, and insurance and annuity products offered through MLLA:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
Are Not Deposits	Are Not Insured By Any Federal Government Agency	Are Not a Condition to Any Banking Service or Activity

Investment Advisory Services

→ Merrill Guided Investing with Advisor

Merrill Guided Investing with Advisor is an online fiduciary investment advisory program that provides ongoing portfolio management and monitoring, advice and guidance from an aligned Financial Solutions Advisor and access to managed strategies and investment solutions.

Merrill Guided Investing with Advisor has an annual Program Fee of 0.85%. You may be eligible for promotional discounts, rebates, credits under various programs. For additional information on these programs, please contact us at 888.654.6837 or visit the [Program Website](#).

For more information regarding Merrill Guided Investing with Advisor, please reference the [Program Brochure](#).

→ Merrill Edge Advisory Account

Merrill Edge Advisory Account is a traditional fiduciary investment advisory program that provides ongoing portfolio management and monitoring, advice and guidance from an aligned Financial Solutions Advisor and access to managed strategies and investment solutions.

Merrill Edge Advisory Account has an annual Program Fee of 0.85%. You may be eligible for promotional discounts, rebates, credits under various programs. For additional information on these programs, please contact us at 855.488.5249.

For more information regarding Merrill Edge Advisory Account, please reference the [Program Brochure](#).

→ Merrill Guided Investing (online)

Merrill Guided Investing is an online self-guided fiduciary investment advisory program providing ongoing portfolio management and monitoring and access to specific managed strategies and investment solutions, without the support of a Financial Solutions Advisor.

Merrill Guided Investing has an annual Program Fee of 0.45%. You may be eligible for promotional discounts, rebates, credits under various programs. For additional information on these programs, please contact us at 877.444.0916 or visit the [Program Website](#).

For more information regarding Merrill Guided Investing, please reference the [Program Brochure](#).

Brokerage Accounts (available to certain eligible clients only)

→ Secondary Market Equity Transactions

Secondary market equity transactions include common stock, exchange traded funds, closed-end funds, certain listed preferred stocks and American Depositary Receipts.

You will pay a commission that is calculated based on the principal value of the security being purchased or sold with a maximum commission of \$75 per transaction. The commission is in addition to the purchase price you pay or the sale price you receive for the security. The commission may be discounted.

→ Secondary Market Fixed Income Transactions

Secondary market fixed income transactions include Treasury securities, government agencies, brokered certificates of deposit (brokered CDs), corporate bonds, municipal securities and over-the-counter (OTC) preferred securities.

For purchases, you pay a “markup” which is included in the price of the security.¹ The markup that is charged may be discounted from the maximum Merrill markup percentage listed below.

Maximum Merrill markup				
	1-year maturity	5-year maturity	10-year maturity	Greater than 10-year maturity
Treasury securities	0.20%	0.685%	1.28%	1.50%
Government agencies	0.20%	0.685%	1.28%	1.78%
Brokered CDs	0.375%	1.25%	2.00%	2.00%
Corporate bonds	0.375%	1.25%	2.00%	2.00%
Municipal securities	0.375%	1.25%	2.00%	2.00%
OTC preferred securities	1.00%	1.00%	1.00%	1.00%

For example, if you purchase a corporate bond with a 5-year maturity for a principal amount of \$50,000, the maximum markup is calculated as following: \$50,000 x 1.25% = \$625.00.

¹The total markup or markdown that you pay consists of the Merrill markup or markdown you are charged and a dealer markup or markdown that our affiliate BofA Securities, Inc. (BofAS) receives if it executes the transaction. The dealer markup or markdown paid to our affiliate is typically up to 1.00%.

For sales, an amount called a “markdown” is deducted from the security price that you receive.² The markdown that is charged may be discounted from the maximum Merrill markdown percentage listed below.

Maximum Merrill markdown

	All maturities
Treasury securities	0.00% - 0.25%
Government agencies	0.00% - 0.25%
Brokered CDs	0.00%
Corporate bonds	0.00% - 0.50%
Municipal securities	0.00% - 0.375%
OTC preferred securities	1.00%

For example, if you sell a corporate bond with a 5-year maturity for a principal amount of \$50,000, the maximum Merrill markdown is calculated as follows: \$50,000 x 0.50% = \$250.00.

²The total markdown that you pay consists of the Merrill markdown described above **and** a dealer markdown that BofAS receives if it executes the transaction. The dealer markdown paid to BofAS is typically up to 1.00%.

See [Important Information](#) for additional details on page 8.

➞ Mutual Funds and Money Market Funds

Mutual funds and money market funds are funds that consist of a portfolio of securities that seek to meet an identified objective and are managed by a fund manager. The fees you pay or incur vary based on the share class and the fund’s own designated pricing schedule. You can find these fees, including the fund’s operating expenses, in the fund’s prospectus and offering materials.

Security & share class

Fees

Mutual fund Class A shares

- You pay an upfront “front-end” sales charge that varies depending on the size of your purchase, the fund’s breakpoint schedule and/or your eligibility for any discounts or waivers.
- At Merrill, you can typically only purchase an amount of Class A shares that results in you paying a sales charge of 3.50% or less (by prospectus, although Class A share sales charges of a mutual fund range from 0.00% to 5.75% of the purchase amount).
- Mutual funds have an annual asset-based fee or “12b-1” fee paid out of the fund’s assets. For the Class A shares, the 12b-1 fee paid to us for most of the funds offered at Merrill typically ranges between 0.20% – 0.30% per annum.
- Generally, if you redeem or sell Class A shares for which no sales charge was imposed within 12 months of the purchase date, you may pay a Contingent Deferred Sales Charge (CDSC) ranging from 0.25% – 1.00%, which is deducted from the redemption proceeds.

Mutual fund Class C shares	<ul style="list-style-type: none"> • There is no upfront fee for Class C shares, but you pay a larger annual asset-based service fee or 12b-1 fee upon the initial purchase and annually thereafter. The Class C share 12b-1 fee ranges from 0.50% – 1.00% per annum. • Generally, if you redeem or sell the Class C shares within 12 to 18 months of the purchase date, you may pay a CDSC of 1.00%, which is deducted from the redemption proceeds.
Mutual fund share classes for retirement accounts and ERISA plan accounts	<ul style="list-style-type: none"> • For personal retirement accounts (IRA, IRA Roth, inherited IRA) and for SEP, SIMPLE and BASIC Accounts, you purchase Class A shares or Class C shares and pay the fees indicated above. • For ERISA plan accounts, you will not pay an upfront fee but you pay an annual asset-based retirement group fee, based on the share class for which that ERISA plan account is eligible. These retirement group fees are typically 0.25% for Class A shares, 0.50% for Class R shares and 1.00% for Class C shares. You also pay a separate administrative service fee ranging from 0.10% – 0.35%, which, for certain funds, is deducted from fund assets.
Money market funds	<ul style="list-style-type: none"> • For money market funds available for purchase, you will not pay an upfront fee; however, money market funds have an annual asset-based administration fee that ranges from 0.00% – 0.50%, all or a portion of which is paid to Merrill. • Money market funds available to certain accounts as an automatic cash sweep typically include a 0.40% service fee. • Money market funds available for purchase in a Merrill brokerage account typically do not charge an annual asset-based service fee.

There are fees and expenses, such as annual management and other similar fees, charged by the fund manager or product sponsor that are typically part of the overall expenses of the fund, as disclosed in the fund's prospectus

See [Important Information](#) for additional details on page 8.

→ New Issue Offerings

New issue offerings include Treasury securities, agencies, corporate bonds, municipal securities, brokered CDs, and unit investment trusts. You will pay a fee on the new issue securities purchase. The offering price (which is the price you pay) and the terms of the security may reflect that compensation — in the form of a gross fee or underwriting discount — is paid to BofA Securities, Inc. (BofAS) by the issuer or investment manager for acting as the underwriter or selling agent for the offering. A portion of the gross fee is payable to Merrill in connection with the new issue offering. The gross fee varies among offerings and is disclosed in the prospectus or offering document for the security. The chart below provides a general guide or range of the gross fees we and BofAS receive for new issue offerings.

Security

New issue compensation paid to Merrill and its affiliates

Treasury securities	<ul style="list-style-type: none"> • For non-competitive bids that you can submit for certain new issue Treasuries at the auction, we generally charge you a \$50 per auction service fee.
Agencies	<ul style="list-style-type: none"> • We receive from the issuer an upfront gross fee ranging from 0.05% – 3.00%, depending on tenor.
Corporate bonds	<ul style="list-style-type: none"> • We receive from the issuer an upfront gross fee ranging from 0.125% – 3.00%, depending on tenor.

Municipal securities	<ul style="list-style-type: none"> We receive from the issuer an upfront gross fee that varies significantly depending on type of offering and tenor.
Brokered CDs	<ul style="list-style-type: none"> We receive an upfront placement fee from the issuing bank ranging from 0.02% to 0.30% of the principal amount of the brokered CD on an annualized basis, depending on tenor. The placement fee amount is included in the offering price (which is the price you pay) of the brokered CD.
Unit investment trusts (UIT)	<ul style="list-style-type: none"> There is a sales charge that is included in the UIT offering price (which is the price you pay) that varies based on the type of UIT and its tenor. For equity UITs with a 15-month term, you pay a sales charge of 1.85% to the UIT issuer, of which Merrill receives 1.25%. For equity UITs with a 24-month term, you pay a sales charge of 2.75% to the UIT issuer, of which Merrill receives 2.00%. For fixed income UITs, you pay a sales charge between 2.50% – 3.50%, depending on the tenor, of which Merrill receives between 1.60% – 2.60%.
Closed-end funds (CEFs)³	<ul style="list-style-type: none"> We receive from the fund manager an upfront gross fee up to 4.50%, depending on the CEF strategy. In addition, the fund manager may pay us a structuring fee that ranges from 0.50% – 2.00%.

³There indirect fees and expenses, such as annual management and other similar fees, charged by the product sponsor or manager that are typically part of the overall expenses of the CEF or UIT, as disclosed in the product's prospectus.

See [Important Information](#) for additional details on page 8

→ Annuities

When you purchase an annuity through your Advisor, you pay fees directly to the issuing insurance company, the amount of which depends on the annuity type and features you select. For fixed indexed, fixed rate and income annuities, the fees are included through the crediting rates established by the insurance company. For variable annuities, the fees you pay are included in the annuity contract and prospectus.

Our affiliate Merrill Lynch Life Agency Inc. (MLLA) is paid by the insurance company, and the amount it receives varies depending on the type of annuity. A portion of the amount received is paid to your Advisor as compensation. These payments include first-year sales commissions and may include other commissions paid annually in subsequent years.

The commissions are not an upfront sales charge and do not reduce your initial investment.

Annuity type	Commission to MLLA
Fixed Indexed and Variable indexed⁴	<ul style="list-style-type: none">• MLLA is paid a first-year sales commission of up to 3.50% of each annuity premium and a trailing commission each year thereafter of up to 0.30% of the value of your annuity.• Certain fixed indexed annuities do not have an annual trailing commission.• Fixed indexed annuities offer optional benefits which have annual fees of up to 1.25% (as disclosed in the annuity contract).
Fixed rate⁴	<ul style="list-style-type: none">• MLLA is paid a first-year sales commission of up to 2.50% of each annuity premium.
Income⁴	<ul style="list-style-type: none">• MLLA is paid a first-year sales commission of up to 4.00% of each annuity premium.
Variable⁴	<ul style="list-style-type: none">• MLLA is paid a first-year sales commission of up to 3.40% of each annuity premium and a trailing commission each year thereafter of up to 0.55% of the value of your annuity.• Variable annuities have distinct fees paid by you to the insurance company and other service providers, including an annual asset-based fee of up to 1.05%. Variable annuities offer optional benefits which have annual fees of up to 1.75% (as disclosed in the annuity contract).

⁴ For additional premiums added to contracts that were purchased at Merrill prior to June 1, 2020, first-year commissions, trailing commissions and other charges are based on applicable rates in effect at the time the contract was purchased. For these contracts, the first-year sales commissions received from insurance companies ranged from 0.75% – 5.25%, and the annual trailing commissions range from 0.00% – 1.20%, in each case, depending on the type of annuity.

For additional premiums added to contracts originally purchased with a firm other than Merrill, the first-year and trailing commission rates that we receive may have been established when your contract was purchased based on the selling agreement in place with that other firm and may fall outside the ranges listed above.

See [Important Information](#) for additional details on page 8.

Important Information

General

In the document, references to Merrill means Merrill Lynch, Pierce, Fenner & Smith Incorporated and its affiliates. Fees, charges, commissions, other transaction charges, fund sales charges, and the fees and charges for new issue transactions are determined by reference to various schedules and methodologies and pricing arrangements and agreements in effect from time to time and which are subject to change. Fee ranges are provided for informational purposes only. The fee information does not cover all available securities or investment types. In addition, there are other fees and charges that apply to the securities activities in your account. In certain transactions, minimum commission charges will apply. Certain commissions may be discounted. Individual circumstances will determine commission prices and whether you qualify for any waivers or discounts.

The information contained in this document is provided for informational purposes only and is not meant to replace your close review of the terms and conditions contained in the agreements for the Merrill programs and accounts, the disclosures relating to individual securities and other information. The fee information covered here does not cover all available investment types or solutions or certain fees that apply to securities activities in your account. Additional fees may apply. Please review the [Merrill Schedule of Miscellaneous Account and Service Fees](#) for more information.

Merrill offers a broad range of brokerage, investment advisory and other services. There are important differences between brokerage and investment advisory services, including the type of advice and assistance provided, the fees charged, and the rights and obligations of the parties. It is important to understand the differences, particularly when determining which service or services to select. For more information about these services and their differences, speak with a Financial Solutions Advisor or reference the [Client Relationship Summary \(Form CRS\)](#).

Secondary market fixed income transactions

The markup or markdown amount compensates the firm for executing the transaction. Purchases and sales of fixed income securities may occur in the over-the-counter markets and Merrill may act in a principal capacity (for its own account) in executing your order. The maximum markup/markdown will vary based on the following criteria:

- Product type – Corporate bonds have higher markups/markdowns than government products
- Maturity of the instrument – Shorter maturities have lower markups/markdowns; longer maturities have higher markups/markdowns
- Purchase vs. sale – Purchases have higher markups than markdowns for sales due to the buy and hold nature of fixed income securities

Certain fixed income security features such as call dates may result in lower markups/markdowns than shown in the fixed income schedule. For products priced on a discount basis, including treasury bills, agency discount notes and commercial paper, the markup can be up to 0.20% and there is no markdown. Mortgage-backed securities are subject to the same markups / markdowns as corporate bonds and assessed on the security's average life. Preferred securities are generally traded on stock exchanges where equity commissions will apply. When preferred securities are traded in the over-the-counter markets, they are subject to the maximum markups/markdowns for fixed income securities noted above. When your transaction is executed in a principal capacity, markups/markdowns are disclosed on client confirmation statements as a total dollar amount and as a percentage of the prevailing market price. Where a trade is executed by Merrill as agent, markups/markdowns are not charged but commissions may be charged and will be disclosed on client confirmation statements. Commissions are subject to the same maximums as noted in the schedules provided.

Mutual funds

Fees and expenses in a mutual fund, including the sales charges paid by the fund to Merrill in connection with a purchase by you of fund shares, reduce the net asset value of the fund and the investment return. Actual sales charges and trails, breakpoints and sales waivers are controlled by each fund's prospectus and vary according to type of strategy and fund. Please refer to each fund's specific prospectus to understand the particular features of each share class. The Financial Industry Regulatory Authority (FINRA) maintains a Mutual Fund Expense Analyzer tool on its website at www.finra.org/fundanalyzer that may help you in making a decision about which share class is best for you.

Merrill has entered into agreements with various fund families or their service providers to be paid for services provided to mutual funds and money market funds and our customers, including retirement plan customers that invest in these funds. Each fund's operating costs include (like other mutual fund expenses) its allocable share of the fees and expenses of these services. These service arrangements generally vary by mutual fund. The amount of these fees is deducted directly from the client's or the retirement plan's investment in the mutual fund and/or paid by the fund's service providers (as may be described in the prospectus and statement of additional information for the fund). These fees are not paid directly out of your account, but are either borne by the mutual fund, like other mutual fund expenses, or by the mutual fund's principal underwriter or other agent.

We have prepared and provided to you a document entitled [Mutual Fund Investing](#), which goes into greater detail on fees and expenses for mutual fund share classes available through us. This document is also available from Merrill upon request.

Annuities

Merrill as broker-dealer and our affiliate, Merrill Lynch Life Agency, Inc. (MLLA) as general agent, have entered into selling agreements with unaffiliated insurance companies to offer annuities. For annuities purchased in brokerage accounts, MLLA and Merrill represent the insurance company in connection with the sale of the annuity and provide services to you on behalf of the insurance company.

The terms and expenses for each annuity (including surrender charges, optional benefit charges and other insurance company expenses) are set out in a contract between you (annuity owner) and the insurance company (annuity issuer). All client charges associated with the annuity are disclosed in the annuity contract, and are paid to the annuity issuer. The commissions outlined above are paid to MLLA by the annuity issuer. The annuity issuer includes these charges in the pricing of its products. All annuity contract guarantees, including optional benefits, fixed rates and annuity payout rates, are backed by the claims-paying ability of the annuity issuer. They are not backed by Merrill or its affiliates. Neither Merrill nor its affiliates make any representations or guarantees regarding the claims-paying ability of the annuity issuer.