MERRILL LYNCH INVESTMENT ADVISORY PROGRAM

Guide to Tax Efficient Management Offerings

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.

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What is tax efficient investing?

Tax efficient investing is an approach that seeks to maximize the after-tax value of investments held in a taxable account by using one or more tax management activities.

In the Merrill Lynch Investment Advisory Program (IAP), you may select one or more tax efficient management offerings as part of your long-term investment strategy in your Managed and Custom Managed Strategy accounts. Depending upon the tax efficient management offering you select, tax efficient management approaches may include activities that seek to**:**

Sell securities that have a loss and invest proceeds in strategy-aligned replacement securities for at least 30 days ("tax loss harvesting")

Engage in tax lot management by prioritizing sales of securities that result in the lowest tax cost

Prioritize the sale of positions with the largest percentage of unrealized losses, while selling positions with the largest percentage of unrealized gains last

Defer short-term capital gains by restricting sales of individual tax lots with sizable unrealized gains that are approaching long-term holding status within 31 days or less

Apply wash sale protection at the account level in an effort to avoid the disallowance of losses due to the wash sale rules

Tax efficient management approaches are generally applied only to investments that are held in taxable accounts. Tax-deferred accounts, like an Individual Retirement Account (IRA) or traditional 401(k), and tax-exempt accounts are ineligible for these tax efficient management approaches.

Whichever tax efficient management offerings you select, remember to also consider how each investment can help you pursue your diversification, liquidity and overall investment goals — at a level of risk you are comfortable with. Tax efficiency is only one of the range of factors you should consider for your investment approach.

If you have questions about tax efficient investing, how it may help you pursue your goals or want to evaluate the options available to you, talk to your Merrill Advisor.

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Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value

Potential benefits of proactive tax efficient management

The goal of the tax efficient management offerings is to seek to enhance the after-tax value of accounts enrolled in eligible strategies while keeping investments aligned with their stated objectives. These tax efficient management offerings may offer you the ability to:

- Harvest losses and use them to offset certain long-term or short-term capital gains.
- Potentially reduce the overall amount of gains realized during the year through portfolio rebalancing.
- Take a more systematic approach to executing portfolio transactions in a tax-efficient manner.
- More efficiently manage your taxable investment accounts by delegating the responsibility to us or a third-party investment manager.

What tax efficient management offerings are available in IAP?

You have choices in how you invest in a tax-efficient manner, including:

Tax Efficient Management Overlay Services (TEM Overlay Services)

You can select one or more tax efficient management overlay services that will automatically apply tax loss harvesting and/or other tax management approaches to eligible investments throughout the year.

(See page 4 and the individual Term Sheets for more details)

Tax Efficient Management Style Manager Strategies (TEM Style Manager Strategies)

You can choose to invest directly in professionally managed investment strategies that include tax management as part of their larger investment approach.

(See page 5 and the Strategy Profiles for more details)

In addition to these choices, you may continue to request ad-hoc tax harvesting trades, at any time, through your Merrill Advisor if you wish to seek to realize additional gains or losses in your portfolio.

Selecting the right approach, or combination of approaches, depends on the investments you hold as well as other personal considerations. Some tax efficient management approaches can only be used with certain types of investments. Eligibility details are outlined in the applicable TEM Overlay Service Term Sheets and/or TEM Style Manager Strategy Profiles. Note: Certain advisors may only offer access to designated managed investment strategies based on qualifications and our policies.

To understand your options and evaluate which approach, or approaches, may be in your best interest, speak to your Merrill Advisor. You should consult your tax and/or legal advisor before selecting a tax efficient management offering, and on a regular basis after selection. Merrill and its affiliates do not provide legal, tax or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.

TEM Overlay Services

The following TEM Overlay Services are available for eligible investments in your eligible accounts. For more information, please consult the Term Sheets linked below, which are also available at mymerrill.com/ADV/materials or from your Advisor.

	Tax Efficient Rebalancing (TER)	Quarterly Loss Harvesting (QLH)	Dynamic Tax Loss Harvesting (DTLH)
Overview	*An overlay that seeks to improve an account's tax efficiency through a systematic rules-based approach to rebalancing and other portfolio management activities*	*An active overlay that seeks to increase after-tax value of accounts by harvesting eligible losses from your account on a quarterly basis*	*An active overlay that seeks to increase after-tax value of accounts by systematically analyzing account-level holdings to opportunistically harvest losses in accounts holding eligible Chief Investment Office (CIO) ETF strategies*
Approach to tax efficient management	*Short-term gain deferral, account-level wash sale protection, sector ETF replacement, best tax lot selection and tax prioritized withdrawals*	*Harvesting losses if they reach a predetermined threshold, subject to a portfolio turnover limit*	*Opportunistically harvesting losses based on market derived thresholds*
Frequency	Ongoing basis	Quarterly basis (every 91 days), starting from the time of enrollment	Ongoing basis
For additional information	*Tax Efficient Rebalancing Term Sheet*	*Quarterly Loss Harvesting Term Sheet*	*Dynamic Tax Loss Harvesting Term Sheet*

IMPORTANT NOTE: TEM Overlay Services can only be used with the specific eligible investments detailed in the individual term sheets. They cannot be applied to any other investments, including TEM Style Manager Strategies, that may be held in your IAP account.

All TEM Overlay Services can be used in conjunction with each other, depending on the investments you hold. QLH can be applied to eligible CIO ETF models, but it will be superseded by DTLH if both are applied. TER and QLH can be applied to eligible Mutual Funds and ETFs when held as sleeves in Custom Managed Strategies.

TEM Style Manager Strategies

Accounts enrolled in IAP may select available Style Manager Strategies that have been designated by Merrill as Tax Efficient Management Style Manager Strategies or TEM Style Manager Strategies. A TEM Style Manager Strategy is a managed strategy that provides tax efficient management as an objective of its portfolio management investment approach. In this type of strategy, the investment manager undertakes various tax efficient management approaches, such as seeking to opportunistically sell securities that have a loss and invest proceeds in strategy-aligned replacement securities for at least 30 days after the date of sale.

The following is a list of TEM Style Manager Strategies that are currently available through IAP.

Click on the names below to download the Strategy Profile associated with the TEM Style Manager Strategy to learn more about its investment and tax management approach. You can also find these materials at mymerrill.com/ADV/materials or from your Advisor.
Note: Certain advisors may only offer access to designated managed investment strategies based on qualifications and our policies.

Available Tax Efficient Management Style Manager Strategies *(as of July 29, 2025)*		
Active Index Advisors S&P 500 Index	Aperio-BLK Russell 3000 Tax Loss Harvest	Parametric MSCI EAFE
Active Index Advisors S&P 1500	Aperio-BLK S&P 500 Environment Tax Neutral	Parametric Large Cap Core
Active Index Advisors S&P 600	Aperio-BLK S&P 500 Environment Tax Loss Harvest	Parametric MSCI ACWI Ex-US
Aperio-BLK S&P 500 Tax Loss Harvest	Franklin Dow Jones US Select Dividend Canvas Tax Managed	Parametric MSCI World
Aperio-BLK S&P 500 Tax Neutral	Franklin S&P 1500 Canvas Tax Managed	Parametric Russell 1000 Growth
Aperio-BLK MSCI ACWI Tax Loss Harvest	Franklin S&P 500 Canvas Tax Managed SMA	Parametric Russell 1000 Value
Aperio-BLK MSCI ACWI Tax Neutral	Goldman Sachs Tax Advantaged Core S&P 500	Parametric Russell 3000
Aperio-BLK MSCI EAFE Tax Loss Harvest	Goldman Sachs Tax-Advantaged Core MSCI World ADR	Parametric S&P 500 Equal Weight
Aperio-BLK MSCI EAFE Tax Neutral	Goldman Sachs Tax-Advantaged Core MSCI EAFE ADR	Parametric S&P 600
Aperio-BLK MSCI EAFE Environment Tax Neutral	Goldman Sachs Tax-Advantaged Core Russell 3000	Vanguard S&P 500 Direct Index
Aperio-BLK MSCI EAFE Environment Tax Loss Harvest	PGIM Custom Harvest Global Equity Plus SMA	Vanguard S&P U.S. Dividend Growers
Aperio-BLK Russell 3000 Tax Neutral	PGIM Custom Harvest US Equity Plus ETF	

NOTE: Each TEM Style Manager Strategy is a stand-alone investment that engages in tax efficient management in its own way, and are not available in Custom Managed Strategies. TEM Overlay Services cannot be applied to these investments.

The TEM Overlay Services and TEM Style Manager Strategies (together, the TEM Offerings) are only available to IAP clients who are residents of the United States. **Before electing a TEM Offering, you must carefully evaluate the potential tax implications, as well as the risks and limitations of the offerings. Details on these risks and limitations are described in the IAP Brochure in the Tax Matters section, which can be obtained at mymerrill.com/ADV/materials or through your Merrill Advisor.**

Available Investment Manager Models with the ability to include TEM Style Manager Strategies		
Eaton Vance Moderately Conservative SMA/ETF TA	Eaton Vance Moderately Aggressive SMA/ETF TA	Natixis Moderate SMA/ETF Tax Aware
Eaton Vance Moderate SMA/ETF Tax Aware	Natixis Moderately Conservative SMA/ETF Tax Aware	Natixis Moderately Aggressive SMA/ETF Tax Aware

NOTE: The above Investment Manager Models may, but are not required to, hold one or more TEM Style Manager Strategies as holdings in their model. Please note that if the Investment Manager Models include eligible holdings for the TEM Overlay Services, then clients may select the appropriate overlay services based on their needs. The TEM Overlay Services will not be applied to TEM Style Manager Strategies in the models.

Considerations before electing a TEM Offering

There are risks and limitations associated with TEM Offerings. These limitations may result in tax-inefficient trades and wash sales. These risks and limitations are discussed in the IAP Brochure in the Tax Matters section and TEM Style Manager Strategy Profiles.

It is your obligation to monitor transactions across all of your accounts to identify any wash sales or straddles that may occur within or across your accounts and you are responsible for all tax liabilities attributable to the disallowance or deferral of any losses pursuant to the wash sale rules or of any deferral under the straddle rules. Furthermore, 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 these offerings.

You should consult your tax and/or legal advisor prior to enrolling in any TEM 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.

Investing involves risk, including the possible loss of principal. Past performance is no guarantee of future results.

Any tax statements contained herein were not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. federal, state or local tax penalties. Neither Bank of America, Merrill nor any of its affiliates or financial advisors provide legal, tax or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.

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