

MERRILL GUIDED INVESTING AND MERRILL GUIDED INVESTING WITH ADVISOR PROGRAMS

Guide to Tax Efficient Management Overlay Services

You should consult your tax and/or legal advisor prior to enrolling in any Tax Efficient Management Overlay Services, 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.

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, with a Growth-Focused goal, by using one or more tax management activities.

You may elect Tax Efficient Management (TEM) Overlay Services as part of your investment strategy. TEM Overlay Services may include activities that seek to:

Sell securities that have a loss and invest proceeds in the underlying Total Return 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 gains 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 management by realigning the Account’s portfolio to the underlying Total Return 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 Total Return Strategy, as circumstances warrant	Avoid wash sales

TEM Overlay Services, if elected, are applied to investments that are held in a Total Return Strategy. TEM Overlay Services are not available to you for an account with an Income-Focused Goal or for a Retirement Account.

If you have questions about TEM Overlay Services, how it may help you pursue your goals or want to evaluate the options available to you, call 877-653-4732.

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Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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What Tax Efficient Management Overlay Services are available?

TEM Overlay Services

The following TEM Overlay Services are available for eligible Total Return Strategies in your eligible accounts.

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

IMPORTANT NOTE: The available TEM Overlay Services are tax efficient rebalancing and, depending upon your Account's underlying Total Return Strategy, either dynamic tax loss harvesting or quarterly loss harvesting. Your Account's Total Return Strategy determines the eligible TEM Overlay Services for the Account and that will be presented to you through the Program Website as part of considering the TEM Overlay Services.

Considerations before electing TEM Overlay Services

There are risks and limitations associated with TEM Overlay Services. These limitations may result in tax-inefficient trades and wash sales. These risks and limitations are discussed in the Merrill Guided Investing Program Brochure and Merrill Guided Investing with Advisor Program Brochure in the Tax Matters section.

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 overlay services 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 Overlay Services, 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.