

# Understanding your cash sweep options



The following information is being provided so that you can review your cash sweep option(s) with your Financial Advisor or Merrill Edge® representative.\* Included is an overview of cash sweep options and how they work, explanations of protection/insurance coverage, how interest rates are calculated, and other important considerations.

## Automatic cash sweep options

The deposit of checks, the sale of securities and other activity generate cash balances in your brokerage account. This cash may be automatically “swept” to bank deposit accounts with one or more Merrill Lynch Affiliated Banks: FIA Card Services, N.A. (“FIA”), or Bank of America California, N.A. (“BA-CA”). Or, depending on your account type and the total asset level of statement-linked accounts, you may be eligible to choose a tax-exempt money market mutual fund from BlackRock or BofA™ Global Capital Management as an automatic cash sweep option.

With an automatic cash sweep feature, also known as a “Primary Money Account,” you do not need to contact your Financial Advisor or Merrill Edge representative to deposit or withdraw funds from your Primary Money Account — the sweep happens automatically.

The chart below outlines the available automatic cash sweep options by account type.

Account type <sup>†</sup>	Automatic cash sweep options - Bank deposit programs		Automatic cash sweep options - Money market mutual funds
	Name	Participating banks	
Cash Management Account® (CMA® account), CMA SubAccount®, Cash Management Account® for Trust	Merrill Lynch Bank Deposit Program (“MLBD Program”)	FIA and BA-CA	Clients with \$250,000 or more in eligible statement-linked assets may also designate one of the following as an automatic cash sweep option: <ul style="list-style-type: none"> <li>• BIF Tax-Exempt Fund</li> <li>• A State Fund under the BIF Multi-State Municipal Series Trust<sup>‡</sup></li> <li>• BofA Tax-Exempt Reserves — Investor Class</li> <li>• A tax-exempt state fund under the BofA Funds Series Trust<sup>§</sup></li> </ul>
IRA, Roth, Rollover, SEP, SIMPLE and BASIC	Retirement Asset Savings Program (“RASP”)	FIA and BA-CA	Not available
Education Savings Account (ESA)	RASP	FIA and BA-CA	Not available
Merrill Edge Self-Directed CMA	Merrill Lynch Direct Deposit Program	FIA	Clients with \$250,000 or more in eligible statement-linked assets may also designate one of the following as an automatic cash sweep option: <ul style="list-style-type: none"> <li>• BIF Tax-Exempt Fund</li> <li>• A State Fund under the BIF Multi-State Municipal Series Trust</li> </ul>
Merrill Edge Self-Directed IRA, ROTH, Rollover, SEP and SIMPLE	Retirement Asset Savings Program II (“RASP II”)	FIA and BA-CA	Not available

\* Throughout this document, the term “Merrill Edge representative” is used to refer to both a Merrill Edge Financial Solutions Advisor™ and a Merrill Edge Investment Center representative.

<sup>†</sup> Cash sweep options for accounts enrolled in Investment Advisory Programs or established through Money Manager Services may differ.

<sup>‡</sup> The following State Funds are available as part of the BIF Multi-State Municipal Series Trust: CA, CT, MA, MI, NJ, NY, OH and PA.

<sup>§</sup> The following tax-exempt state funds are available as part of the BofA Funds Series Trust: BofA California Tax-Exempt Reserves—Investor Class; BofA Connecticut Municipal Reserves—Investor Class; BofA Massachusetts Municipal Reserves—Investor Class; and BofA New York Tax-Exempt Reserves—Investor Class.

Your Merrill Lynch account statement indicates where your cash balances are currently deposited or invested, as well as recent yield information.



Merrill Lynch Wealth Management makes available products and services offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”), a registered broker-dealer and member SIPC, and other subsidiaries of Bank of America Corporation (“BAC”).

Banking products are provided by Bank of America, N.A., and affiliated banks, members FDIC and wholly owned subsidiaries of BAC.

Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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MLPF&S and Bank of America, N.A., make available investment products sponsored, managed, distributed or provided by companies that are affiliates of BAC or in which BAC has a substantial economic interest, including BofA™ Global Capital Management.

## Additional money accounts/manual alternatives

In addition to your Primary Money Account, you may be able to choose additional cash sweep options or “manual alternatives” that provide automatic withdrawal/redemption only. Depending on your account type, manual alternatives may include taxable and tax-exempt money market mutual funds or the “Insured Savings Account” (ISA®),<sup>1</sup> a limited transaction deposit program.

If you choose a manual alternative, you must contact your Financial Advisor or Merrill Edge representative each time you want to invest or deposit your cash. Otherwise, available cash will continue to automatically sweep to your Primary Money Account.

Manual alternatives provide an automatic withdrawal/redemption feature in order to satisfy purchases and debits from your account, including check writing, Visa® card activity and other cash management activity. Therefore, you do not need to contact your Financial Advisor or Merrill Edge representative when you need to withdraw funds. However, cash in a manual alternative will only be withdrawn automatically when the Primary Money Account is depleted or in the order in which you have designated for the account.

Please speak with your Financial Advisor or Merrill Edge representative to find out more about the manual alternatives that may be available to you.

## Considerations when choosing a cash sweep option

When choosing a cash sweep option, it is important to consider the following:

- Your needs, goals, risk tolerance, investment time horizon and liquidity requirements.
- Yields may differ between money market mutual funds and bank deposit programs.
- Money market mutual funds and bank deposit programs have different types of protection/insurance coverage.
- Money market mutual funds have investment risk of various degrees and are not guaranteed or insured as to principal.

## FDIC insurance

Your sweep deposits in the Merrill Lynch Affiliated Banks are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to the applicable standard maximum deposit insurance amount (“SMDIA”). The SMDIA is currently \$250,000 per depositor, per ownership category, per bank. Deposits maintained in different categories of legal ownership — such as individual accounts, joint accounts or certain retirement accounts — are separately insured by the FDIC, up to applicable insurance limits. FDIC insurance covers both principal and credited interest. Any accounts or deposits maintained with a Merrill Lynch Affiliated Bank in the

same legal ownership category, whether directly, through other Merrill Lynch accounts or through any other intermediary, would be aggregated for FDIC insurance limit purposes.

**Clients are responsible for monitoring the total amount of deposits held at the Merrill Lynch Affiliated Banks in order to determine the extent of FDIC insurance coverage available to such deposits. Merrill Lynch is not responsible for any insured or uninsured portion of such deposits.**

For additional information on FDIC, visit [www.fdic.gov](http://www.fdic.gov).

## SIPC and excess-SIPC coverage

The securities and cash that Merrill Lynch holds in your brokerage account are protected by the Securities Investor Protection Corporation (“SIPC”). If a U.S. broker-dealer fails, SIPC funds are available to make up for any shortfall of client assets that the broker-dealer was required to maintain — up to a maximum of \$500,000 per client for securities, inclusive of up to \$250,000 per client for cash.

In addition, Merrill Lynch has obtained “excess-SIPC” coverage from a Lloyd’s of London syndicate for large client accounts. This policy provides further protection (including up to \$1.9 million for cash) for customers who would not be made whole by SIPC, subject to an aggregate loss limit of \$1 billion for all customer claims.

Please note that money market mutual funds and Merrill Lynch Affiliated Bank deposits are not “cash” for purposes of SIPC account protection. Rather, money market mutual funds receive SIPC and excess-SIPC protection as securities, and Merrill Lynch Affiliated Bank deposits are protected by FDIC insurance. SIPC and excess-SIPC coverage do not protect against investment losses from market action.

For additional information on SIPC, visit [www.sipc.org](http://www.sipc.org).

## Benefits of bank deposits to Merrill Lynch

Deposits held at the Merrill Lynch Affiliated Banks are financially beneficial to Merrill Lynch and its affiliates. For example, the Merrill Lynch Affiliated Banks use bank deposits to fund current and new lending, investment and other business activities. Like other depository institutions, the profitability of the Merrill Lynch Affiliated Banks is determined in large part by the difference between the interest paid and other costs incurred by them on bank deposits, and the interest or other income earned on their loans, investments and other assets. The deposits provide a stable source of funding for the Merrill Lynch Affiliated Banks, and borrowing costs incurred to fund the business activities of the Merrill Lynch Affiliated Banks have been reduced by the use of deposits from Merrill Lynch clients.

Merrill Lynch receives up to \$65 per year from the Merrill Lynch Affiliated Banks for each account that sweeps to the MLBD Program, Merrill Lynch Direct Deposit Program, RASP or RASP II. Merrill Lynch receives a fee from the ISA banks of up to 2% per annum of the average daily balances. This compensation is subject to change from time to time and Merrill Lynch may waive all or part of it.

Merrill Lynch Financial Advisors are compensated based on their clients' total deposits held in the Merrill Lynch Affiliated Banks (excludes RASP). Merrill Edge Financial Solutions Advisors may be compensated based on Merrill Edge clients' deposits held in the Merrill Lynch Affiliated Banks.

### Interest rates and yields

Interest rates for the MLBD Program, Merrill Lynch Direct Deposit Program, RASP and RASP II:

- Are determined by the Merrill Lynch Affiliated Banks in their sole discretion.
- Are variable and may change at any time after the account is opened, without notice or limit. Fees may reduce earnings.
- May be higher or lower than the interest rates and Annual Percentage Yield ("APY") available to other depositors of the Merrill Lynch Affiliated Banks for comparable accounts or the rates of return payable on comparable arrangements offered to Merrill Lynch clients.

For certain account types with the MLBD Program or RASP, interest rates are tiered based upon your relationship with Merrill Lynch, as described in "Linking Accounts." Clients with higher total eligible assets may receive a higher yield on their bank deposits.

Clients should compare the terms, interest rates, APY, rates of return, required minimum amounts, charges and other features with other accounts and alternative investments before deciding to maintain balances in deposit accounts through the MLBD Program, RASP, Merrill Lynch Direct Deposit Program or RASP II.

Yield information on any deposits held at the Merrill Lynch Affiliated Banks is included on your Merrill Lynch account statement. Merrill Lynch clients can also obtain current yield information on MyMerrill.com® (see the "Deposit Account & Money Fund Rates" link at the bottom of each page) or by contacting their Financial Advisor. Merrill Edge clients can obtain current yield information by visiting [merrilledge.com](http://merrilledge.com) or by contacting a Merrill Edge representative.

### Linking accounts

You may be able to link your accounts together for statement delivery purposes and to establish higher levels of eligible assets and a potentially higher interest-rate tier for the MLBD Program and RASP. For regulatory or other reasons, certain types of accounts that can be linked for statement delivery purposes cannot be linked for the purpose of determining your total eligible assets.

Interest-rate tiering does not apply to deposits in the Merrill Lynch Direct Deposit Program or RASP II. MLBD Program and RASP deposits from accounts enrolled in certain discretionary Investment Advisory Programs receive the Merrill Lynch Bank Deposit Program Tier 4 rate.<sup>2</sup>

If you have any questions about linking your accounts or linking eligibility, please contact your Financial Advisor or Merrill Edge representative.

### Additional information on cash sweep options

Your Merrill Lynch Financial Advisor or Merrill Edge representative is available to discuss your cash sweep options as the yields on respective cash sweep options may change, depending on market conditions, at different times throughout the year.

Please refer to the MLBD Program, RASP, RASP II or Merrill Lynch Direct Deposit Program disclosures in your account agreement for additional and more detailed information concerning sweep deposits with the Merrill Lynch Affiliated Banks. For additional information on ISA, refer to your ISA Fact Sheet or contact your Financial Advisor or Merrill Edge Financial Solutions Advisor.

*For current yields on bank deposit programs or money market mutual funds, visit [MyMerrill.com](http://MyMerrill.com) (see the "Deposit Account & Money Fund Rates" link at the bottom of each page) or contact your Financial Advisor. Merrill Edge clients can obtain current yields by visiting [merrilledge.com](http://merrilledge.com) or by contacting a Merrill Edge representative.*

**Merrill Lynch and its representatives do not provide tax, accounting or legal advice. Any tax statements contained herein were not intended or written to be used, and cannot be used, to avoid U.S. federal, state or local tax penalties. Please consult your advisors as to any tax, accounting or legal statements made herein.**

**Investing involves risk. For more complete information on any mutual fund, please request a prospectus and/or, if available, a summary prospectus from your Merrill Lynch Financial Advisor or Merrill Edge representative and read it carefully. Before investing, carefully consider the investment objectives, risks, and charges and expenses of the fund. This and other information can be found in the fund's prospectus and/or, if available, summary prospectus.**

**An investment in a money market mutual fund is not a bank deposit and is not insured or guaranteed by Bank of America, N.A., MLPF&S, or any bank or affiliate of Bank of America Corporation, the FDIC or any other government agency. Although a money market mutual fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in a money market mutual fund.**

<sup>1</sup> ISA is a series of electronically linked money market deposit accounts ("MMDAs") into which funds are deposited on your behalf by Merrill Lynch. The MMDAs are held at one or more depository institutions, whose deposits are insured by the FDIC, including depository institutions affiliated with Merrill Lynch and its parent company, Bank of America Corporation. The FDIC's standard maximum deposit insurance amount is \$250,000 per depositor, per ownership category, per bank. The ISA program is not appropriate for clients who anticipate effecting frequent third-party payments or transfers, including payments or transfers by check or through the Funds Transfer Service. ISA has a minimum opening deposit of \$1,000.

<sup>2</sup> Please refer to current interest rate information on MyMerrill.com (see the "Deposit Account & Money Fund Rates" link at the bottom of each page) or contact your Financial Advisor. Merrill Edge Advisory Center™ clients can obtain current interest rate information on merrilledge.com or by contacting a Financial Solutions Advisor.

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