MERRILL
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# MERRILL EDGE ADVISORY ACCOUNT PROGRAM

## WRAP FEE PROGRAM BROCHURE

Please retain for your records


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This Brochure provides information about the qualifications and business practices of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") and Managed Account Advisors LLC ("MAA") relating to the Merrill Edge Advisory Account Program (the "Program"). If you have any questions about the contents of this Brochure, please contact us at 800.MERRILL (637.7455).

Please note that the information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Investment adviser registration does not imply a certain level of skill or training. Additional information about MAA and MLPF&S also is available on the SEC's website at adviserinfo.sec.gov.

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September 18, 2026


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MESPB 092026

# ITEM 2. MATERIAL CHANGES

On March 20, 2026, MLPF&S and MAA together filed their last annual update for the Merrill Edge Advisory Account program brochure ("Brochure"). The summary of material changes is designed to make clients aware of information that has changed since the Brochure's last interim update on June 26, 2026 or that may be important to them.

## MATERIAL CHANGES AND ENHANCEMENTS MADE AS PART OF THIS INTERIM UPDATE

- We have added disclosure, including as to associated conflicts of interest, regarding new fees (Support Fees), also referred to as a type of revenue sharing, that we anticipate beginning to receive, as of January 1, 2027, from certain Third-Party Firms that sponsor, manage, construct, advise or distribute investment products available in certain of our advisory programs or through brokerage relationships. These investment products include: (1) mutual funds; (2) ETFs that do not seek to track the performance of a specified market index (actively-managed ETFs); and (3) certain annuities. We will also receive Support Fees from third-party investment managers or their Affiliates relating to their separately managed account strategies made available in certain investment advisory programs. As it relates to the Program, Merrill will receive Support Fees in connection with mutual funds and actively-managed ETFs that are constituent Funds as described in this Brochure. See Item 9 at the section "Compensation, Conflicts of Interest and Material Relationships—Support Services Fees and Data Analytic Services Fees Received by Us from Certain Third-Party Firms."
- We have added disclosure regarding optional data reporting services (Data Analytics) that we intend to make available to certain Third-Party Firms as of January 1, 2027, for fees typically ranging from $125,000 to $860,000 per year as well as for Data Analytics related to passively-managed ETFs for fees ranging from $25,000 to $550,000 per year. We have also added disclosure related to associated conflicts of interest. As it relates to the Program, Data Analytics does not include information about Program Advisors. See Item 9 at the section "Compensation, Conflicts of Interest and Material Relationships—Support Services Fees and Data Analytic Services Fees Received by Us from Certain Third-Party Firms."
- We have augmented our disclosure regarding a Third-Party Firm's reimbursement of costs related to Conferences to allow for Third-Party Firm reimbursement of the costs of travel and accommodation for CIO employees who are not members of the CIO due diligence team. See Item 9 at the section "Compensation, Conflicts of Interest and Material Relationships—Third-Party Firm Business Relationships and Cost Sharing and Reimbursement Support".

## MATERIAL CHANGES AND ENHANCEMENTS MADE SINCE THE LAST ANNUAL UPDATE

Set forth below are material changes and enhancements that we made to the Brochure since the last annual update in March 2026.

**June 26, 2026 Brochure Update**

***Material Changes and Enhancements***

- We have updated the business address for Managed Account Advisors LLC from 101 Hudson Street, Jersey City, NJ 07302 to 525 Washington Blvd., Jersey City, NJ 07310.
- We have included additional information regarding Merrill's error correction-related activities and fractional share trading practices generally, including trading as principal. See Item 4 at the section "Brokerage, Banking-Related and Custodial Arrangements and Services—Brokerage Trading Services" and "—Fractional Share Transactions" and see Item 9 at the section "Participation or Interest in Client Transactions and Conflicts of Interest—Trade Execution."

# ITEM 3. TABLE OF CONTENTS


ITEM 4. SERVICES, FEES AND COMPENSATION ..... 4
**About Us and The Program** ..... 4
**Advice and Guidance** ..... 4
Profiling and Creating a Target Asset Allocation ..... 4
Target Asset Allocation Categories and Monitoring ..... 5
Multi-Account Portfolios ..... 5
Program Guidelines ..... 5
Treatment of Cash Balances in your Account ..... 5
**Investment Strategy Services** ..... 6
Selecting a Strategy ..... 6
Replacing a Strategy or Fund in a Strategy ..... 7
Registered Fund Prospectus Delivery ..... 7
Role of MAA and Investment and Trading Authority for Strategies ..... 7
**Reasonable Investment Restrictions** ..... 7
**Brokerage, Banking-Related and Custodial Arrangements and Services** ..... 8
Brokerage Trading Services ..... 8
Margin Rules, Margin Loans and Securities Based Lending Programs ..... 8
Fractional Share Transactions ..... 9
Cash Sweep Program and Other Banking-Related Services ..... 9
Custodial Arrangements ..... 10
**Proxy Voting** ..... 10
**Account Preferences** ..... 10
General ..... 10
Delivery of Trade Confirmations on a Periodic Basis ..... 10
Delivery of Certain Materials ..... 10
Electronic Delivery ..... 11
**Program Fee and Other Charges** ..... 11
Calculation of Fees ..... 11
Deduction of Program Fees from Your Account ..... 11
Determination of how the Program Fee is Charged ..... 12
Fees and Expenses Not Covered by the Program Fee ..... 12
**Ability to Obtain Certain Services Separately and for Different Fees** ..... 12
**Funding and Operation of Accounts** ..... 13
Opening a Program Account ..... 13
Funding Your Account and Contributions ..... 13
Special Note about Funding Your Account with Mutual Fund Shares ..... 13
Withdrawals ..... 14
Service Changes or Additions ..... 14
Terminating Enrollment in the Program ..... 14
Cash Balances ..... 15
Legal Matters and Related Notifications ..... 15
Your Responsibilities for Account Operation and Management ..... 15
Tax Matters ..... 15
ITEM 5. ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS ..... 15
**Client Eligibility** ..... 15
**Program Minimum** ..... 16
**Retirement Accounts** ..... 16
ITEM 6. PORTFOLIO MANAGER SELECTION AND EVALUATION ..... 16
**Selection and Review of Strategies and Funds Available in the Program** ..... 16
**Strategy Construction** ..... 17
**Available Information Regarding Strategies and Funds** ..... 17
**Advisory Services Provided by Merrill and Certain Affiliates** ..... 17
**Tailored Investment Advice** ..... 18
**Performance-Based Fees** ..... 18
**Method of Analysis** ..... 18
**Voting Client Securities** ..... 18
**Investment Strategies and Risk of Loss** ..... 18
General Risks of Investing ..... 18
Target Asset Allocation and Monitoring ..... 18
Securities Based Lending with your Account ..... 19
Use of Strategies Where Merrill Is the Manager ..... 19
Role of a Program Advisor in the Program ..... 19
Information Security, Cybersecurity and Artificial Intelligence Risks ..... 19
SII-themed Strategies or Funds ..... 19
Funds ..... 20
ITEM 7. CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS ..... 21
ITEM 8. CLIENT CONTACT WITH PORTFOLIO MANAGERS ..... 21
ITEM 9. ADDITIONAL INFORMATION ..... 21
**Disciplinary Information** ..... 21
**Other Financial Industry Activities and Affiliations** ..... 22
**Conflicts of Interest and Information Walls** ..... 22
**Code of Ethics** ..... 22
**Compensation, Conflicts of Interest and Material Relationships** ..... 22
Compensation and Benefits to Merrill, Program Advisors and Merrill Management Personnel ..... 22
Account and Program Choice ..... 23
Investment Product Availability and Revenue Received from Third Party Firms ..... 24
Offering of Investments or Programs Managed by Us or Our Affiliates and Use of a Related Strategy in Your Account ..... 24
Compensation Received by Us for Sub-accounting Services ..... 25
Mutual Fund Share Class Selection and Compensation ..... 25
Cash Sweep Program Compensation Received by Us and Our Affiliates ..... 25
Other Compensation Received by Us and Our Affiliates ..... 26
Compensation Received by Us and Our Affiliates for Principal Trading and Agency Cross Transactions ..... 26
Support Services Fees and Data Analytic Services Fees Received by Us from Certain Third-Party Firms ..... 26
Third-Party Firm Business Relationships and Cost Sharing and Reimbursement Support ..... 27
Provision of Diversified Financial Services by Us and Our Affiliates ..... 29
**Participation or Interest in Client Transactions and Conflicts of Interest** ..... 29
Cash Balances and Cash Sweep Program ..... 29
Participation in Affiliate Lending Programs and Margin ..... 29
Activity by Merrill, Affiliates and Personnel ..... 29
Trade Execution ..... 30
Covered Entities under the Volcker Rule ..... 31
**Account Reviews and Reporting** ..... 31
**Referrals and other Arrangements** ..... 31
**Financial Information** ..... 31
GLOSSARY ..... 32


***All capitalized terms used in the Brochure are defined in the body of this Brochure or in the Glossary.***

# Item 4. Services, Fees and Compensation

## ABOUT US AND THE PROGRAM

This Brochure describes the Merrill Edge Advisory Account Program (the "Program"). Both Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") and its Affiliate, Managed Account Advisors LLC ("MAA"), offer investment advisory services under the Program as discussed in this Form ADV brochure ("Brochure"). Both MLPF&S and MAA are registered with the U.S. Securities and Exchange Commission ("SEC") as investment advisers and MLPF&S is registered as a broker-dealer. Our parent company, Bank of America Corporation ("BofA Corp.") through Bank of America, N.A. ("BANA"), BofA Securities, Inc. ("BofAS") and other of its Affiliates, provides integrated investment services and is a leading banking institution for consumers, corporations and institutions.

When we use the terms "Merrill," "we," "our" or "us" in this Brochure, we are generally referring to MLPF&S. We also use the terms "Merrill," "we," "our" or "us" to apply to both MLPF&S and MAA for those aspects and services of the Program that MLPF&S and MAA perform jointly. We also indicate where certain services are provided by MAA in its separate capacity.

**Our Services as an Investment Adviser and Relationship with You under the Program**. Both Merrill and MAA provide services under the Program in our capacity as a registered investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The Program is designed to help you pursue your investment goals by providing you with investment advice and guidance and access to a select set of investment solutions and our representatives. For Program services, you will work with our Merrill representatives who have the title or designation "Financial Solutions Advisor" ("FSA") and who are available to you through our call center and at various bank branch locations. You will work with a Program Advisor to establish an appropriate target asset allocation for your enrolled Account, to select an aligned investment strategy available in the Program and to receive the other services described in this Brochure ("Services" or "Program Services"). In this Brochure, we use the term "Program Advisor" to refer to an FSA. We provide disclosure documents called the "Form ADV Part 2B—Brochure Supplements," which describe information about Program Advisors and the role and the services they provide, among other things. We also provide Form ADV Part 2B-Brochure Supplements for other Merrill investment professionals who provide portfolio management services for the investment strategies we offer in your Program enrollment materials.

To obtain the Services available through the Program, you must first enter into a written agreement with us (the "Client Agreement" or "Agreement"). The Client Agreement defines the scope of the investment advisory relationship with you and sets forth our obligations to you for accounts that you enroll in the Program ("Account"). This Brochure describes the advisory services that we provide, the fees you will pay, our role and that of our personnel, our other business activities and financial industry affiliations and the economic and other benefits and arrangements we have that create conflicts of interest in certain situations. You will be provided a Program Report and account statements that identify those of your Accounts enrolled in the Program. Termination of an Account's enrollment in the Program will end that investment advisory fiduciary relationship with respect to that Account and will cause that account to be converted to, and designated as, a Merrill brokerage account. If you inform us that you wish to terminate the Agreement, we will terminate the Program enrollment of all Accounts which will end the investment adviser fiduciary relationship and such Accounts will be converted to brokerage accounts.

Merrill can help fulfill your wealth management needs in our capacity as an investment adviser, as a broker-dealer, or as both. Investment advisory and brokerage services are separate and distinct and each is governed by different laws and separate contractual arrangements that we may have with you. Our relationship, legal duties and capacities to you under federal securities laws are subject to a number of important differences which are described in our Client Relationship Summary on Form CRS ("Form CRS") and in our Summary of Programs and Services, both of which are available at merrilledge.com/relationships or upon request. In addition, these documents provide a summary of the other available investment advisory programs we offer. Certain aspects of these investment advisory programs are similar to the Services available in the Program. Please refer to "Item 4 Ability to Obtain Certain Services Separately and for Different Fees."

**Under the Program, we are a fiduciary to you**. Merrill and MAA each have certain fiduciary obligations to you in providing you the Services under the Program. As a fiduciary, we will act in your best interest and will endeavor to ensure that you are informed about and have access to material facts and information relating to the Program Services. This Brochure is a key element in meeting this disclosure obligation. The fiduciary standards we aim to follow are established under the Advisers Act and state laws, where applicable. In addition, for Retirement Accounts, we provide these Program services as a "fiduciary" under Section 3(21) of the Employee Retirement Income Security Act of 1974 ("ERISA") and under the Internal Revenue Code of 1986 (the "Code"). For Retirement Accounts subject to ERISA, we provide the relevant Services as an "investment manager" under Section 3(38) of ERISA.

Generally, the Program is designed for clients who are comfortable with the investment choice of a limited set of investment strategies complementary to their investment profile. The Program is generally not for clients who have more complex needs, desire access to a larger offering of investment solutions and strategies or have a preference for frequent in-person interactions with a dedicated advisor. While enrolled in the Program, your Account's assets can be allocated to cash at various amounts for one or more investment and/or operational purposes at the same or different times as described throughout this Brochure.

The Program is similar to the MGI with Advisor program, which provides enrolled clients with the ability to work with a Program Advisor through an interactive website. There are certain services and investment strategies that are only available in the MGI with Advisor Program and not the Program.

## ADVICE AND GUIDANCE

**Profiling and Creating a Target Asset Allocation**. A Program Advisor will work with you to establish a recommended target asset allocation described below. To do so, a Program Advisor will gather from you, and/or confirm with you, important financial and personal information that will be used as a basis for our advice and guidance about your Account.

Based on information you provide, your Program Advisor will recommend an allocation of your assets across one or more asset classes (the "Target Asset Allocation") for each of your Accounts, taking into account: (1) your risk tolerance for the Account (*i.e.*, your ability and willingness to incur financial loss for some or all the assets in your Account in exchange for greater potential returns) and (2) the time horizon (determined by how long you expect to invest in order to achieve your investment goal). At Merrill, risk tolerance is expressed in three gradations: conservative (low), moderate (medium) and aggressive (high) and time horizon segmented into the time spans of 0–1 Years, 1–5 Years, 5–10 Years, and 10+ Years. For an Account with a retirement focus, the time horizon is based on a combination of your stated retirement age and how long you intend to use the assets in your Account after retirement. Any changes to your risk tolerance or time horizon for your Account may lead to a different recommended Target Asset Allocation and potential changes to the strategy

for an Account. Your Program Advisor will use your risk tolerance and time horizon, along with other information about you, including your investment objectives, goals, liquidity, tax sensitivity and preferences, to determine the strategies to recommend to you for your Account.

It is your responsibility to ensure that the information you provide to a Program Advisor is complete and accurate and to notify a Program Advisor if any information we have about you is inaccurate or becomes inaccurate. By providing accurate and complete information, a Program Advisor will be better able to make suitable recommendations for you and your assets. This information helps determine whether this Program is, and continues to be, appropriate in light of your preferences and objectives. Your continued enrollment in the Program indicates your willingness and preferences to receive ongoing investment advice and guidance with respect to your Account, continued access to investment solutions, ongoing investment monitoring and other fiduciary services under the Program.

**Target Asset Allocation Categories and Monitoring**. In general, the Target Asset Allocation categories, which have associated asset class allocation ranges are: (1) Conservative, (2) Moderately Conservative, (3) Moderate, (4) Moderately Aggressive and (5) Aggressive. A description of each of these categories is in the Glossary under the term "Target Asset Allocation." There may be additional Target Asset Allocation categories added by us from time to time. Each of these categories has associated asset class allocation ranges. The associated allocation ranges and our method of monitoring activity may change from time to time and without prior notice to you. Our more conservative Target Asset Allocations typically recommend a greater percentage of your assets be allocated to the fixed income and cash asset classes, rather than to the equity asset class. Our more aggressive Target Asset Allocations typically recommend a greater percentage of your assets be allocated to the equity and alternative investment asset classes, rather than to the fixed income and cash asset classes. You should carefully consider the recommended Target Asset Allocation for your Account.

You may choose a Target Asset Allocation that is more conservative than our recommendation by speaking with a Program Advisor. If you would like a more aggressive Target Asset Allocation, you must discuss with a Program Advisor whether certain information that we have about your Account accurately reflects how you want your assets managed, and a Program Advisor may recommend that you adjust your Account risk tolerance and/or time horizon to reflect your preference for a more aggressive Target Asset Allocation.

We will use your Target Asset Allocation, along with certain other information provided by you, to assist in recommending an investment strategy for your Account. The Account will be managed according to the investment strategy that you select. We make available in the Program a select set of investment strategies (the "Strategies") that are managed by Merrill through its Chief Investment Office (the "CIO"). The Strategies consist of diversified portfolios of exchange-traded funds ("ETFs"), mutual funds and an allocation to cash and/or money market mutual funds and other cash alternatives (referred to as a "cash allocation") that are designed to meet a particular Target Asset Allocation. The CIO has discretion to select a money market mutual fund ("money market fund") or other cash alternative available through the Program for a Strategy's cash allocation. ETFs, mutual funds and money market funds are referred to collectively as "Funds". The Strategy recommendations provided for each Account are intended to align with the specified Target Asset Allocation for the Account. At times your Account's actual asset allocation may become misaligned with the Strategy allocation due to market movements or additions and withdrawals of assets from your Account, among other reasons.

On a periodic basis, we will monitor the assets in each Account to the applicable Target Asset Allocation within certain parameters. Because your Account's Target Asset Allocation is based on your Account risk tolerance and your Account time horizon, changes to these factors may result in a different recommended Target Asset Allocation and/or Strategy. In addition, keep in mind that the time horizon for your Account will change (become smaller) as time passes, and the Target Asset Allocation will change over time (except if your Account already has a recommended Target Asset Allocation of Conservative). If there is a prolonged misalignment, we will ask you to take action in order to remain in the Program, including updating your risk tolerance or time horizon, so that the Account meets the Program guidelines. If you decide not to take the requested action, we reserve the right to terminate your Account from the Program, which converts the Account to a brokerage account type.

**Multi-Account Portfolios**. In our discretion, you will have the flexibility to direct us to manage multiple Accounts, each with a different Strategy, in a single portfolio ("Portfolio"). Your Portfolio assets in the aggregate should be aligned to the applicable Target Asset Allocation for the Portfolio. The Portfolio Target Asset Allocation applies to the assets held in the Portfolio. Because the Target Asset Allocation is determined at the Portfolio level, you should understand that each Account and the Funds held in each particular Account must be evaluated in the context of the overall Portfolio. The Accounts, Funds and other investment solutions that comprise a Portfolio will not necessarily be consistent with your Portfolio's designated risk tolerance and/or time horizon if they are evaluated on an Account-level basis. Monitoring activity may change from time to time and without prior notice to you.

**Program Guidelines**. We have established certain guidelines relating to the management of assets in the Program, including Target Asset Allocation guidelines, which are designed to help supervise and monitor on an on going basis the activity in your Account. The Program guidelines change at our discretion or can be waived under certain circumstances for certain clients. In certain situations, you will be notified if your investment activity or holdings deviate from these internal guidelines and action may be required to comply with these guidelines. If you decide not to take the requested action, we have the right to terminate the Account from the Program. Taking this action will convert the Account to a brokerage or other account type.

***Our supervision and monitoring do not substitute for your own continued review of your assets and the performance of your investments in your Account***. You are responsible for reviewing the Program communications, including your Program Report, performance reports, trade confirmations, and periodic account statements that we send to you. If you identify any discrepancies or inaccurate information, you should promptly report them to a Program Advisor. In most instances it is solely your responsibility to determine whether you follow our recommendations. If you choose to invest your assets in a manner that differs materially from our recommendations, you may assume additional risks that result from your decisions.

**Treatment of Cash Balances in your Account**. While enrolled in the Program and subject to Program guidelines, your Account will have an allocation to cash balances. This allocation can result from our decision to keep a cash balance for various purposes, such as your cash needs, market conditions or as a way to fulfill your cash allocation target. This allocation can also result from the decision of the CIO, as investment manager of the Strategy's model portfolio selected for your Account, to keep a cash balance for operational and/or investment purposes as part of the Strategy. The cash allocation for the Strategy is based on a number of factors, including the nature of the investment strategy being implemented, the types of investments being purchased for the Strategy and the circumstances relating to the trading for those securities, market conditions as well as for trade execution facilitation, meeting operational contingencies and having funds available to pay the monthly fee charged for Program Services without generating trade activity in the Account. In certain circumstances, including periods of volatile or uncertain market conditions, any cash allocation may comprise all or a substantial portion of your Account assets based on, for example, concerns about the market or a decision to pursue a defensive investment strategy.

Your Account's uninvested cash balance is automatically deposited (or "swept") with your consent on the day following the cash deposit to the cash sweep option applicable to your Account under the terms of your underlying brokerage account agreement ("Cash Sweep Program"). The available automatic cash sweep options under the Cash Sweep Program vary based on the Merrill account type and other criteria. Not all Merrill account types have the same cash sweep option.

The only automatic cash sweep options currently available for Merrill account types eligible for enrollment in the Program are the Merrill Lynch Bank Deposit Program ("MLBD Program") and, for retirement accounts, the Retirement Asset Savings Program ("RASP"). These programs provide for an automatic sweep of cash balances to bank deposits with BANA and other banks affiliated with us ("Bank Affiliates") as set forth in the underlying brokerage account agreement for your Account, including the CMA® Financial Service Cash Management Account® Disclosures (CMA Disclosures) if applicable based on your account type. These materials and the Sweep Program Guide for Merrill Clients provide an overview of the automatic cash sweep options and how they work as well as a chart of automatic cash sweep options by Merrill account type with the listing of applicable Bank Affiliates. The current rates and yields for the cash sweep options are available at mymerrill.com and from us or a Program Advisor. Your cash balance and cash alternatives in your Account are subject to the Program Fee.

You can elect to hold any cash balances in an account that is not enrolled in the Program (*i.e.*, a brokerage account or bank account), and avoid the Program Fee, but you will not receive the Program Services with respect to cash held in an account that is not enrolled in the Program.

We discuss the treatment of cash balances and other considerations relating to cash in various parts of this Brochure, including: (1) Item 4 at the sections "Brokerage, Banking-Related and Custodial Arrangements and Services—Cash Sweep Program and Other Banking-Related Services," "Program Fee and Other Charges—Determination of how the Program Fee is Charged," "Program Fee and Other Charges—Fees and Expenses Not Covered by the Program Fee," and "Funding and Operation of Accounts—Cash Balances" and (2) Item 9 at the sections "Compensation, Conflicts of Interest and Material Relationships—Cash Sweep Program Compensation Received by Us and Our Affiliates" and "Participation or Interest in Client Transactions and Conflicts of Interest—Cash Balances and Cash Sweep Program."

## INVESTMENT STRATEGY SERVICES

**Selecting a Strategy**. After we help you establish a Target Asset Allocation for your Account, a Program Advisor will recommend to you one or more Strategies available in the Program. There may be more than one Strategy that is suitable for your investment needs. Our recommendation will be based on the information you provide and what we believe will meet your investment needs and investment preferences for the management of your assets. The recommendation is limited by the stated and agreed-upon Target Asset Allocation for the Account, the Strategy, other applicable factors such as the type of Account you establish and any Account restrictions.

Merrill determines which Strategies are included in the Program and when they will no longer be offered. As a general matter, we make these decisions based on a variety of factors, including client needs, available investment styles, platform capacity, client demand and the outcome of due diligence and evaluation reviews including with the assistance of the CIO.

The Strategies used in the Program are designed to obtain exposure to the various asset classes of the Target Asset Allocations. A Strategy is constructed and/or implemented by Merrill in a single Account. The Strategies available in the Program are model portfolios of securities managed by the CIO to achieve one or more investment styles or disciplines. The Strategies are also rebalanced as needed based on CIO recommendations. See "Item 6 Portfolio Manager Selection and Evaluation."

The Strategies consist of ETFs and mutual funds, and cash and/or cash alternatives (referred to as a "cash allocation"). In addition to determining asset class level allocations and rebalancing frequencies, the CIO determines the ETFs and mutual funds for the equity and fixed income asset class exposures. A Strategy includes a cash allocation for operational and implementation and/or investment purposes as directed by the CIO. For the cash allocation, CIO determines whether to hold a cash balance and/or invest in a money market fund or other cash alternatives available for your Account through the Program. If no action is taken by the CIO to select a cash alternative, cash balances will automatically be swept under the Cash Sweep Program. The cash allocation will be higher at certain times depending on the nature of the Strategy, the asset allocation, the investment determinations, rebalancings, market conditions and the CIO's cash management approach and market view and concerns. For more information, see the section "Funding and Operation of Accounts—Cash Balances."

Merrill, through the CIO, provides its investment recommendations relating to the Strategies to MAA in the form of model portfolios and investment guidelines and instructions (a "model-based Strategy"). MAA will generally implement the recommendations without change, subject to the application of any Reasonable Investment Restrictions (as defined below) which MAA has determined to accept as reasonable, cash commitments and other operational or investment considerations, including the frequency of rebalancing. MAA may determine, in light of operational or investment considerations in its sole discretion, to deviate from the model portfolio on a limited basis (*i.e.*, to select another security or increase the cash allocation within a model portfolio). By selecting a model-based Strategy, as provided in the Agreement, you grant MAA investment discretion and trading authority for investments occurring in that Strategy. Through its trading authority, MAA has complete and full trading authority to invest, reinvest, purchase, sell, exchange, convert and otherwise trade assets, without any prior notice. This authority will remain in place until we have received and accepted instructions to either change to a different available Strategy in the Program or terminate the Account from the Program.

We make available information about each Strategy in a document known as a "Profile." The Profile describes the relevant objectives, styles and risks of the particular Strategy. The Profile includes performance history and data as indicated in the Profile that consists of actual composite performance data developed by MAA in its implementation of the Strategy.

The Strategy in which your Account is invested will be reflected in the Program Report that we will deliver to you upon enrollment. We may reference the Strategy or use the term "Managed Strategy" as a caption name or reference in the Program Report.

You select the Strategy for your Account. This means that any change from one Strategy to another Strategy will require your consent, because you retain the Authority to select and implement any changes between Strategies. As we describe in detail below in the section "Role of MAA and Investment and Trading Authority for Strategies," we will have full investment discretion and trading authority to implement the Strategy selected.

In certain circumstances, the same or similar investment solution offered in the Program may be offered through other investment advisory programs or services sponsored by Merrill or our Affiliate channels, at a lower or higher than, or same cost as, the investment solution offered in this Program. The services that you receive by investing in such a solution through a different program, may or may not be similar to the services you receive through the Program. You should discuss with a Program Advisor the investment solutions, services and Strategies available to determine which may be most appropriate. Please refer to the section "Ability to Obtain Certain Services Separately and for Different Fees."

**Replacing a Strategy or Fund in a Strategy**. Merrill has the authority to select the Strategies in the Program and to replace a Strategy with prior notice to you. It also has the authority to select the Funds in the Strategies and to change the included Funds without notice to you. Changes to a previously selected Strategy may be made in the following ways: (1) your instruction to replace a Strategy or (2) Merrill closing a Strategy from the Program for any reason. Where Merrill decides to close a Strategy to new investments and/or additional contributions from existing clients, in such event, Merrill may:

- Replace the identified Strategy with another Strategy.
- Maintain current positions in the identified Strategy and invest any new contributions and sale or redemption proceeds in a replacement Strategy.
- Maintain in cash any new contributions or sale or redemption proceeds relating to the identified Strategy in cash until a replacement is chosen by us or you direct us to invest in an alternative Strategy selected by you.

MAA is responsible for implementing our decisions and related actions.

If we determine to replace the identified Strategy, we will endeavor to choose a replacement with an investment strategy that is managed in a manner consistent with your investment objective and goals for the Account. This replacement may include Funds with higher expenses than you had been paying. If you do not instruct us to the contrary, your continued participation in the Program after receiving written notice of such replacement or other action will be your consent to the action. If you do not agree with the replacement Strategy, you can terminate the Account from the Program. We generally will provide you with prior written notice of any discontinuation, closing or replacement event prior to it taking place. We, however, may provide you with notice of such event after we have already taken action in certain circumstances. Having the flexibility to act quickly helps enable us to take action where we believe the replacement and its timing are in clients' best interest.

**Registered Fund Prospectus Delivery**. When a fund that is registered under the Investment Company Act of 1940, as amended (a "Registered Fund") is purchased for an Account that has selected the Strategy, in light of the discretionary authority you have granted to either Merrill or MAA, either of us are authorized to receive the Registered Fund prospectus in lieu of it being automatically delivered to you. If you would like a copy of the Registered Fund prospectus, you may obtain one by contacting a Program Advisor who will arrange for it to be sent to you free of charge. Notwithstanding the foregoing, Merrill may continue to send the Registered Fund prospectus to you in its sole discretion.

**Role of MAA and Investment and Trading Authority for Strategies**. As described above, MAA has authority to make certain investment and trading decisions including:

- Implementing, as applicable, the model-based recommendations or other investment guidelines and/or instructions of the CIO.
- Processing all contributions including initial and any subsequent cash deposited in the Account, withdrawal requests and Account terminations.
- Periodically rebalancing the Account as further described below.
- Implementing your Reasonable Investment Restrictions, if any, described in the section "Reasonable Investment Restrictions."
- Implementing your tax-selling instructions (if any) where acceptable to MAA, as further described in the section "Tax Matters."

Merrill and MAA are authorized and directed by you to sell promptly any investments you contribute that are not eligible or not acceptable for a Program Service or a Strategy.

Certain Strategies have target allocations and are subject to automatic rebalancing on a periodic basis. Others are dynamically managed and are not subject to periodic rebalancing in the same manner. In light of other considerations in an Account, MAA can effect rebalancing and other transactions even though they may generate tax liabilities, including short-term taxable income. In its discretion, MAA actively manages your Account and may decide not to process certain rebalancing transactions. Delays in the processing of any rebalancing activities that MAA undertakes can occur from time to time, based on, among other things, market conditions, illiquid securities, as well as the availability of Funds and other factors.

MAA arranges for trades to be executed through Merrill or a Merrill Affiliate and may arrange for trades to be executed through a broker or dealer other than Merrill or a Merrill Affiliate (an "Unaffiliated Trade Counterparty"). In its discretion and subject to legal requirements, MAA may utilize its Affiliates and third party vendors for investment, trading and administrative support.

MAA generally takes necessary actions consistent with implementing a Strategy, including for any investments subject to regulatory limitations and restrictions and related internal policies applicable to us and our Affiliates' overall investment activities described further in the section "Activity by Merrill, Affiliates and Personnel."

## REASONABLE INVESTMENT RESTRICTIONS

You may request through a Program Advisor that we impose certain investment restrictions on the management of the assets in your Account relating to the purchase of a specific Fund in the Strategy. For a restriction to be acceptable under the Program, it must first be determined to be "reasonable" by us (a "Reasonable Investment Restriction"). MAA will determine whether a restriction request is reasonable and how to allocate investments based on a Reasonable Investment Restriction. MAA will generally allocate the assets that would have been invested in the security impacted by the Reasonable Investment Restriction in one of the following ways: (1) pro-rata across other investments held in the Account; (2) by using one or more replacement securities, which could include ETFs and/or (3) by remaining uninvested in cash.

Please note that Reasonable Investment Restrictions will not apply to securities that are part of a Fund in the Strategy.

If accepted, the Reasonable Investment Restriction that MAA is responsible for managing or implementing in your Account will be included in the Program Report or other periodic Program communications and will be applied to your Account until (1) you take action to change, withdraw or waive the restriction; (2) we determine that it is no longer a Reasonable Investment Restriction based on factors we deem relevant in our discretion, including for example, the

level of the security holding percentage in the Strategy; or (3) we are no longer able to implement the restriction in our systems, changes in the security identifier or symbol, corporate action events, or otherwise. You may request to have different investment restrictions applicable to each of your Accounts. We reserve the right to modify our practices regarding investment restrictions in our sole discretion at any time without notice. Further, we reserve the right to deem any requested investment restriction to be unreasonable and to not accept the requested investment restriction. If one or more investment restrictions are determined to be unreasonable, the restriction will not be applied and you should consider whether to remain in the Program or consider other more appropriate Strategies in the Program.

Implementing certain Reasonable Investment Restriction result in securities in your Account being sold which could result in taxable events. If you elect to impose Reasonable Investment Restrictions, you accept any effect such Reasonable Investment Restrictions may have on the investment performance and diversification of the Strategy or your Account. The performance of an Account with Reasonable Investment Restrictions will differ from and may be lower than the performance of Accounts without such restrictions. In addition, your decision to impose a Reasonable Investment Restriction that alters the allocation of a Strategy or that results in a replacement security may result in exposure to additional (and potentially unforeseeable) risks that are inconsistent with the objective of your investment strategy. In addition, investment restrictions or any other limitations provided by you will not apply to the securities or other interests held in the portfolio of any Fund in your Accounts, even if the Fund provides public disclosure of the holdings within its portfolio; consequently, your ability to restrict investments in the Program will be limited.

The termination or removal of an Account from the Program will terminate Reasonable Investment Restrictions for that account, and such Restrictions will not be applicable to the account as a brokerage account or other account outside of the Program.

## BROKERAGE, BANKING-RELATED AND CUSTODIAL ARRANGEMENTS AND SERVICES

You are required to maintain a securities (brokerage) account with MLPF&S. The primary purpose of the Program is to provide you with ongoing fiduciary investment advice and guidance for your Account and access to the Strategies and ongoing monitoring. The Program Fee you pay covers these Program Services and your payment for the trade execution, clearance and settlement services. It also covers custody of assets. Note that certain fees unrelated to investment activity, like fees for banking-related or cash transfer activities, wire transfer fees, foreign currency wire and conversion fees, account service fees, transaction fees and certain transactional costs, are not covered by the Program Fee, including those described as such in the section "Program Fee and Other Charges."

**Brokerage Trading Services**. In effecting transactions for your assets in the Program, Merrill and its Affiliates will be acting exclusively as a broker-dealer and Merrill can either execute transactions itself or arrange for trades to be executed through a Merrill Affiliate or an Unaffiliated Trade Counterparty. If we or one of our Affiliates effect the transaction through an Unaffiliated Trade Counterparty, we will take into account various factors, such as the nature and quantity of the securities involved, the markets involved, the reputation and perceived soundness of the firm, the firm's clearance and settlement capabilities and other factors relevant to the selection of a broker-dealer for the execution of client securities transactions. Trades will be handled by MLPF&S as broker-dealer and MAA as an investment adviser consistent with their regulatory and best execution obligations. Even with these obligations, it is possible that you may be able to obtain better prices for transactions, if such trades were executed with other broker-dealers or third parties, including having smaller spreads (the difference between the bid and the offer price) or at more favorable net prices.

We seek to effect transactions correctly, promptly and in the best interests of clients. In the event an error occurs in our handling of client transactions, we seek to identify and correct any errors as promptly as possible without disadvantaging you. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing you. In general, in instances where we are responsible for effecting the transaction incorrectly, we may reimburse you for any losses directly resulting from trade errors, credit to you any profits directly resulting from such trade errors that are corrected after the settlement of the transaction or retain for ourselves any profits directly resulting from such trade errors that are corrected prior to the settlement of the transaction. In certain instances, our corrective measure involves purchasing the securities from your Account at a price determined at the time of the correction that will determine the amount to reimburse you for any resulting losses or to credit you for resulting profits. If we are subsequently unable to sell the securities from our error account until a later point in time due to regulatory restrictions or otherwise, we will retain any profits if those securities are eventually sold at a higher price than the amount paid to correct the error.

We may, but are not required to, aggregate orders for the sale or purchase of securities for your Strategies with orders for the same security for our other clients, proprietary accounts or the accounts of our employees (including a Program Advisor) and/or Related Companies, without your prior authorization. Where order aggregation is employed, each account in the aggregated transaction will be charged or credited with the average price and, when applicable, its pro-rata share of any fees.

MAA's ability to implement the recommendations of the CIO as to a particular Strategy may be affected by the liquidity of the security, market volatility, and any price limits that may be imposed by Merrill. This may in turn have a negative impact on the performance of a Strategy.

In your Client Agreement, you appoint us to act as your agent and attorney-in-fact with such discretionary power and authority to buy, sell or otherwise effect transactions in securities or other property, in whole or in part and in your name for your Accounts. You also authorize and direct us to cause all transactions to be effected through Merrill or our Affiliates acting as agent, or as permitted by law, as principal. Principal transactions are only effected in accordance with Program guidelines and applicable regulations. You, and not we, will bear the cost of markups or markdowns that are not covered by the Program Fee and that are payable to Unaffiliated Trade Counterparties (including on fixed-income or over-the-counter transactions in which MLPF&S and its Affiliates act as agent).

**Margin Rules, Margin Loans and Securities Based Lending Programs**. As a broker-dealer, MLPF&S is responsible for compliance with federal margin rules. Accounts in this Program are only set up as cash Accounts. This account notation means that margin is not permitted and purchases of securities must be fully paid for on the date of the trade. With a cash Account, if securities are sold before the payment for their purchase has settled, an event known as a "free-riding violation" has occurred. Freeriding is prohibited under margin rules and our Program guidelines. Having a "free-riding" violation may result in your Account being restricted for 90 days or "frozen." The imposition of such a freeze could have a negative effect on your Account and performance. The risk of engaging in an inadvertent "free riding" violation and therefore freezing of your Account is enhanced: (1) when you change Strategies and reconstitute your investments or (2) when you withdraw cash from your Account when there is a pending order to purchase a security.

Certain of your Account assets may be "pledged" or used as collateral, if we consent, in connection with loans obtained through certain Affiliated loan programs (*i.e.*, the Loan Management Account® and Mortgage 100®/ Parent Power® mortgage programs) or through unaffiliated loan programs (together,

"Lending Programs"). The costs, risks and other features and conditions of a loan under the Lending Programs are more fully described in the separate lending documentation you receive in connection with any such loan and are not described in this Brochure. There are risks, costs, and conflicts of interest associated with Lending Programs. The interest charges on any loan combined with the fees charged for Program Services (including the Program Fee) may exceed the income generated by your pledged Account assets and, as a result, the value of your Account may decrease. For any margin loan or a loan through any Affiliated Lending Program, the costs, including interest, associated with such loans are not included in the Program Fee and will result in additional compensation to us, our Affiliates, and our financial advisors. See "Item 6 Investment Strategies and Risk of Loss— Securities Based Lending with your Account" and "Item 9 Participation or Interest in Client Transactions and Conflicts of Interest-Participation in Affiliate Lending Programs and Margin."

**Fractional Share Transactions**. Since your Account assets are custodied at Merrill, your Account may hold or reflect interests in certain equity securities (such as ETFs) in less than whole share increments (fractional shares). Your Account may receive fractional shares as a result of events such as corporate actions or divisions of assets in divorce or other legal proceedings. Orders to sell these fractional shares generally cannot be routed to an exchange for execution, and fractional shares are generally not transferable in-kind to another broker-dealer or custodian. To liquidate fractional shares as a client accommodation, Merrill, in its capacity as a broker-dealer, may purchase the fractional shares from you as principal. Neither Merrill nor its Affiliates receive compensation in connection with the transaction. The price at which the fractional shares are liquidated could, in some instances, differ from the price at which the whole shares trade. Fractional shares are entitled to dividends or distributions on a pro rata basis, where applicable. Fractional shares participate in mandatory corporate actions but generally do not carry proxy voting rights or similar shareholder rights. Please refer to your underlying account documentation that provides more information on the treatment of fractional shares in your Account.

**Cash Sweep Program and Other Banking-Related Services**. As provided in the relevant brokerage account agreement and documents you executed to open your account, unless you elected the "No Sweep" option, you have consented to having cash held in your account being treated as a cash balance and being automatically deposited or "swept" on the day following the cash deposit to the cash sweep option applicable to your underlying brokerage account under the Cash Sweep Program. Your sweep options vary depending on your Account type as described in your brokerage account agreement, the CMA Disclosures and the Sweep Program Guide for Merrill Clients. Unless the cash allocation is invested, either in a cash alternative or in other securities, the cash allocation will be treated as a cash balance in the Program Account subject to the automatic sweep functionality.

"Bank Deposit" Sweep Option. Under the MLBD Program or RASP, your Account's cash balance is swept to accounts held at our Bank Affiliates as provided for under the terms of the underlying account agreement. Under each of the MLBD Program and RASP, Merrill as your agent establishes the bank deposit accounts on your behalf at the Bank Affiliate as provided for in your underlying brokerage account agreements. Bank deposits in the MLBD Program and RASP are insured by the Federal Deposit Insurance Corporation ("FDIC"). Merrill is not a bank and FDIC deposit insurance only covers the failure of an FDIC-insured bank. Certain conditions must be satisfied for deposit insurance coverage to apply when bank deposits are held for you by Merrill, which include, but are not limited to, proper account titling and recordkeeping.

The sweep deposit accounts at the Bank Affiliates in the MLBD Program and RASP are protected by FDIC insurance, up to the applicable standard maximum deposit insurance amount. The FDIC limit is generally $250,000 per depositor, per ownership category, per bank. FDIC insurance covers both principal and credited interest, up to applicable limits. Any deposits maintained with a Bank Affiliate in the same account ownership category, whether directly, through other Merrill accounts or through any other intermediary, would be aggregated for FDIC insurance limit purposes. If your total cash balances in any type of deposit account (whether a direct bank deposit account or a sweep deposit account) and/or in any type of bank product (*i.e.*, a certificate of deposit) of a Bank Affiliate in the MLBD Program or RASP exceed the FDIC coverage limits, the amount deposited that is over the applicable standard maximum deposit insurance amount will not be entitled to FDIC coverage.

Neither Merrill nor the Bank Affiliates manage or monitor the deposits swept under the MLBD Program or the RASP for FDIC insurance limit purposes. Deposits are not aggregated or limited under the MLBD Program and RASP based on the FDIC limits for the same depositor in the same bank across Merrill accounts. Merrill does not undertake through the Program or the Agreement or the underlying brokerage agreement to provide you notice that cash balances in your Account or Accounts or in any of your brokerage accounts exceeds the FDIC coverage limit for any of our Bank Affiliates. Monitoring FDIC insurance coverage limits is expressly not a Program Service. ***You are responsible for monitoring the total amount of deposits held at the Bank Affiliates in order to determine the extent of FDIC insurance***. Additional information about FDIC insurance can be found in the underlying brokerage account agreement, including the CMA Disclosures, if applicable, and other agreement disclosures provided upon the establishment of your underlying Merrill brokerage account (copies of which can be obtained from your Program Advisor). For additional information on FDIC insurance, visit fdic.gov.

Cash balances swept under the Cash Sweep Program to a bank deposit account of our Bank Affiliates will bear a rate of interest that has been established for, and in light of the features of, the Cash Sweep Program. The rate of interest for such deposit accounts will be periodically set and reset by the Bank Affiliates in their discretion. The rate is variable and may change at any time after the account is opened without notice or limit.

Under the MLBD Program and RASP, interest rates are tiered based upon a client's relationship with Merrill. Accounts with the MLBD Program and RASP as their cash sweep vehicles that are enrolled in the Program and in other specified Merrill investment advisory programs receive the highest tier rate available under the MLBD Program or RASP. A brokerage account with cash swept into MLBD Program or RASP that enrolls in the Program will continue to receive interest at the tier assigned to the account until the beginning of the month after enrollment. That following month, the enrolled Account will have an updated tier assigned, and interest will begin accruing at that rate.

The interest rate you earn in the bank deposit account affiliated with the Cash Sweep Program will likely be lower than yields on certain money market funds and other cash alternatives, including those available for purchase in brokerage accounts.

"No Sweep" Option. Certain account types have the option for you to select the "No Sweep" option under their underlying brokerage agreement which results in cash being held in the account as a cash balance and not 'swept' to any available sweep option under the Cash Sweep Program. The cash balance will not earn interest or dividends. The cash held in the Account will be covered by the Securities Investor Protection Corporation ("SIPC") up to $500,000 per client, inclusive of $250,000 for cash. As a registered broker-dealer, Merrill benefits from the possession or use of cash balances, also known as free credit balances in Merrill accounts, subject to restrictions imposed by Rule 15c3-3 under the Securities Exchange Act of 1934.

Ability to Invest Cash Balances. The CIO as the Style Manager determines whether to hold a cash balance and/or invest in a money market fund or other cash alternatives available for your Account through the Program. If no action is taken by the CIO to select a cash alternative, cash balances will automatically be swept under the Cash Sweep Program.

Conflicts of Interest related to the Cash Sweep Program. There are conflicts of interest associated with the Cash Sweep Program which are discussed in "Item 9 Compensation, Conflicts of Interest and Material Relationships— Cash Sweep Program Compensation Received by Us and Our Affiliates" and "Item 9 Participation or Interest in Client Transactions and Conflicts of Interest-Cash Balances and Cash Sweep Program."

**Custodial Arrangements**. MLPF&S will act as the custodian for the assets held in the Program under the terms of the applicable brokerage or other account agreement for the Account. For further information, please refer to your brokerage or other account agreement. Your assets will be maintained in one or more central asset accounts established at MLPF&S through the applicable securities account. In the Client Agreement, you agreed to open any necessary securities accounts and execute the applicable MLPF&S securities account agreements. If you already have an existing MLPF&S securities account ("existing account") and instruct us to open a similar type of account for the Program ("new account"), the Client Agreement and related documentation for your existing account will apply to your new account.

From time to time, MLPF&S (doing business as Merrill Edge) may offer to clients or potential clients certain promotions or rewards in connection with opening, maintaining or adding assets to an MLPF&S securities account. Such promotions or rewards may include, by way of example, the payment of a cash reward. The promotions may require a client to request to receive or participate in the promotion or reward, and/or require a client to meet various eligibility criteria. While these promotions or rewards may extend to a client's MLPF&S securities account that holds assets in the Program, participation in the Program is not a condition for these promotions or rewards.

Any assets held in your Account in the Program must be and remain free from any lien, charge or other encumbrance unless we agree otherwise or it is a lien, charge or other encumbrance in favor of us or our Affiliates through our brokerage or other account agreements. You must notify us in writing prior to effecting loans secured by securities in the Program (including loans by our Affiliates) (commonly referred to as "collateralizing"). We will not provide advice on or oversee any of your collateral arrangements. Unless we otherwise agree, the terms of the Client Agreement and the applicable brokerage or other account agreement will prevail in the event of any conflict between the terms of the Client Agreement and your collateral arrangements. You must also disclose to any lender the terms of the Client Agreement. No specific securities in your Account should be held as collateral to secure your loan. There are adverse effects of collateralizing an Account, including, but not limited to, the fact that the lending institution may require additional collateral or liquidation of securities to meet a call, as well as the related tax consequences. You must promptly notify us of any default or similar event under your collateral arrangements as defined in the respective collateral arrangements.

## PROXY VOTING

You have the right to vote proxies for securities held in your Account and you will retain proxy voting authority for your Account. You cannot delegate to us and we do not accept or assume any proxy voting authority for securities held in your Account. Since you retain proxy voting authority, we will promptly send you proxy ballots and related shareholder communications that we receive, as well as any other information intended for distribution to you. You are responsible for taking any actions.

If your Account is an ERISA Plan, you represent that plan documents and applicable law authorize voting authority to be reserved to the trustee(s) either in the discretion of the trustee(s) or pursuant to the discretion of a named fiduciary. If we do not receive voting instructions from you, we will comply with the rules of the SEC and applicable self-regulatory organizations relating to such matters, as required by law.

As a broker dealer, MLPF&S uses a third-party service provider for certain proxy-related functions, including processing and forwarding proxy and other issuer related materials, and receives amounts collected by the vendor for the costs of these services as permitted by applicable securities regulations.

## ACCOUNT PREFERENCES

**General**. You are able to set certain "Account Preferences" for each of your Accounts in the Program, including Frequency of Trade Confirmation Statements; Electronic Delivery of Certain Materials; and Reasonable Investment Restrictions. You should discuss these Account Preferences with a Program Advisor. You may be asked to complete additional documentation.

**Delivery of Trade Confirmations on a Periodic Basis**. You will receive trade-by-trade confirmation for transactions in your Accounts; however, you may elect to receive transaction information on a periodic basis (at least quarterly) in lieu of trade-by-trade confirmations. To receive periodic trade information, you must make an election in your Client Agreement or provide us with a separate written letter of authorization. The election to have periodic delivery of trade information will apply to the eligible Accounts you designate until you instruct us to the contrary. You can rescind this election at any time. Your Program Report will indicate whether you have elected the periodic delivery of trade confirmations option.

If you elect to receive trade information on a periodic basis, we will send copies of trade-by-trade confirmation information to you, including through account statements, in accordance with applicable law. Making this election will not result in any change to the Program Fee and is not a condition to receiving the Program Services. You may request to receive, at no additional cost, trade-by-trade confirmations for transactions effected for your Account for up to one year after we send the last periodic statement reflecting those transactions. You may request interim updates and further details concerning any transaction effected between periodic statements either online (if you're enrolled) or by calling a Program Advisor.

**Delivery of Certain Materials**. When you enroll in the Program, you acknowledge in the Client Agreement that you received certain Program materials such as this Brochure, a Program Advisor's and any other Merrill Brochure Supplements, any Profiles, any applicable Fund materials, and, for Retirement Accounts, the Retirement Account Addendum. Additional copies may be requested from a Program Advisor at any time and will be provided without charge. For your reference and convenience, we have posted this Brochure and other information at merrilledge.com/advisory-account-program-brochure.

Certain of our materials, including this Brochure, are compatible with various types of assistive devices, such as screen readers. Other Program materials have varying degrees of compatibility with different assistive devices. If you experience difficulty in accessing a Program document with an assistive device, please inform a Program Advisor and request that the document be made accessible.

**Electronic Delivery**. You may also separately arrange for the electronic delivery of certain Program materials, including the Brochure, any Account specific documents (and any changes or amendments) as well as other Program notices and materials, by signing up for electronic delivery via our internet website at merrilledge.com. If you consent to electronic delivery at that website, you will generally authorize us to deliver Program documents, disclosures and notices to you electronically. Electronic delivery through this process may not be available for all Program related communications, and in that case, we will send paper copies to you. There are separate procedures for enrollment and unenrollment through merrilledge.com. You may revoke your consent to electronic delivery of the Program Brochure and receive paper copies of that document by contacting a Program Advisor. From time to time, we may deliver paper copies of documents relating to your Account notwithstanding your Account preference.

## PROGRAM FEE AND OTHER CHARGES

You agree to pay to us a non-negotiable annual asset-based fee ("Program Fee") for the Services provided in the Program under the Client Agreement. The Program Fee is payable monthly in advance and is based upon an annual Program Fee rate of **0.85%**. The Program Fee does not include all of the charges that may apply to your Account. Please see the section "Fees and Expenses Not Covered by the Program Fee" in this section for a list of other fees and expenses that you may be charged and are not included in the Program Fee.

The Program Fee rate will be set forth in the fee schedule section of your initial Program Report provided to you upon enrollment. Upon your request, and at no charge, we will provide to you additional detailed information regarding your Program Fee. Please contact a Program Advisor if you would like to receive this more detailed Program Fee information.

The primary purpose of the Program is to provide you with ongoing fiduciary investment advice and guidance for your Account. The Program Fee you pay covers the Program's Services, including investment advisory services described in this Brochure, as well as trade execution, clearance and settlement of transactions and custody of assets. The Program Fee covers a range of services, as described above, that are intended to be supplemental and enhance the investment advisory services you receive. The full amount of the Program Fee payable under the Client Agreement will be charged in accordance with its terms, regardless of your use of any of the services offered or of the amount of transactions effected in your Account. Certain of these services are not available in all types of securities accounts, Strategies and/or the jurisdiction in which you reside. Please speak with a Program Advisor about the availability of these services.

We offer similar programs and/or investment strategies in different sales channels and at different fee levels. The Program Fee may be higher or lower than the fees for another investment advisory program and/or the cost of similar services offered through other financial firms. See "Ability to Obtain Certain Services Separately and for Different Fees" in this Item 4.

You may be eligible for benefits such as Program Fee discounts, rebates or credits under certain promotional programs ("Bank programs") that BANA offers from time to time for its banking product clients who also use the products or services of its Affiliates, including Merrill. In general, you must be a banking client of BANA, elect to participate in these Bank programs, and meet certain eligibility criteria of the Bank programs in order to receive the benefits available to clients of Merrill under these Bank programs. For additional information on these Bank programs, please contact us at 855-488-5249.

**Calculation of Fees**. The Program Fee is calculated monthly as follows:

- For each calendar month, the Program Fee rate that will be applied to your Account will be one twelfth of the annual Program Fee rate. In certain instances and in our discretion, we may waive or reduce your Account's Program Fee for a particular month.
- When you enroll a new Account in the Program, an initial Program Fee will be assessed during the week following the date on which you have contributed the required minimum level of assets to the Account for the Strategy selected by you. The initial Program Fee will be calculated as follows: one twelfth (1/12) of the product of (1) the value of the assets in your Account as of the earlier to occur of the last business day of the week or the last business day of the month following required funding; and (2) the annual Program Fee rate applicable to the Account. Such amount will then be prorated based on the number of days remaining in the month from the date of required funding.
- After the initial Program Fee, the Program Fee is typically charged to your Account during the first week of the current calendar month; and the Program Fee will be calculated as follows: one twelfth (1/12) of the product of (1) the value of the assets in your Account as of the last business day of the previous calendar month; and (2) the annual Program Fee Rate applicable to the Account.
- If you or we terminate your Account we will refund to you a pro-rata portion of the Program Fee based on the number of calendar days remaining in the month. The refund, if any, will be applied to your Account typically during the week following Account termination. See the section "Terminating Enrollment in the Program" for further information.

**Deduction of Program Fees from Your Account**. You have agreed in the Client Agreement as follows:

- Unless otherwise agreed to between you and Merrill in writing, the Program Fee (and any other fees payable under the Client Agreement) will be deducted directly from your Account. You may be able to pay the Program Fee from assets held outside of your Program Account. You should contact a Program Advisor for additional information.
- Merrill is authorized to deduct the Program Fee (and any other fees payable) from the assets held in your Account, to the extent permitted by law, if full payment of such fees has not been timely received or, if earlier, at the time the Account is terminated.
- The Program Fee and any other fees for your Account will be payable, unless otherwise indicated, first from the liquidation or withdrawal of your shares of any money market funds or balances in any money market or bank deposit account(s), as you authorize in the Client Agreement or other document, and second from free credit or cash balances, if any, in your Account.
- You will make timely payment of all amounts due to Merrill under the Client Agreement, and any unpaid Program Fees may result in the termination of your Account(s).

To the extent permitted by law, all assets in your Account or otherwise held by Merrill or its Affiliates for you will be subject to a lien for the discharge of your obligation to make timely payment to Merrill of the Program Fee (and any other fees payable under the Client Agreement), and Merrill may sell assets in your Account to satisfy this lien. If free credit or cash balances within the alternate account you have designated for your Program Fees to be deducted from are not available in that alternate account, the Program Fee will be deducted from your Program Account.

**Determination of how the Program Fee is Charged**. Except as noted, you will be charged the Program Fee on all assets in your Account, including cash and cash alternatives. Generally, all Account values used to determine the Program Fees described above are based on the value of the assets in your Account, as determined by us. In calculating such Account values, we will use a variety of pricing sources, including our Affiliates.

The Program Fee will be applied to any cash and cash alternatives held in your Account. This includes money market funds and other cash alternatives held as part of the Strategy, cash that is treated as a cash balance which is automatically swept into a cash sweep vehicle in accordance with the Cash Sweep Program for your Account, and cash in your Account due to your having chosen the "No Sweep" as provided for in the Merrill brokerage account agreement. The Program Fee is in addition to other compensation that Merrill and its Affiliates will earn on cash and cash alternatives held in your Account. Depending on interest rates and other market factors, the yield that you earn on cash balances and cash alternatives has been, and can be in the future, lower than the Program Fee that you pay on assets held in your Account. ***You will experience negative performance on the cash asset allocation for your Account if the Program Fee charged for your Account is higher than the return you receive on any cash and cash alternatives***. For more information about the Cash Sweep Program, including compensation and benefits we and our Affiliates receive, see "Item 4 Funding and Operation of Accounts—Cash Balances" and in "Item 9 Participation or Interest in Client Transactions and Conflicts of Interest—Cash Balances and Cash Sweep Program."

**Fees and Expenses Not Covered by the Program Fee**. Your Program Fee does not cover the following expenses, charges and costs, some of which are discussed in more detail below:

- Dealer spread charges, mark-ups or mark-downs charged with respect to any principal transaction effected by MLPF&S or our Affiliate or effected by any executing broker-dealer for transactions in which Merrill or its Affiliate acts as agent.
- Underwriting discounts, selling concessions or other transaction charges with respect to any principal transaction effected by MLPF&S or our Affiliate.
- Fees, expenses and charges charged by Funds or by the managers or sponsors of Funds, including fees, expenses and charges of the constituent Funds used in the Strategies.
- Exchange fees, alternative trading system fees, required SEC fees or similar fees charged by third parties, including issuers.
- Transfer taxes.
- Electronic fund, wire and other Account transfer fees, including any fees or markups charged for foreign currency exchange or conversions relating to transfers or wires to or from your Account.
- Any other charges imposed by law or otherwise agreed to with regard to the Account, including those charges payable to Merrill and/or third parties as described in the Brochure.

The Program Fee does not include certain fees and charges relating to transfers and terminations, certain corporate actions and banking-related services like lending, check-writing services, money transfers, wire transfers, foreign currency wire transfers and conversions. Certain of these fees and charges are detailed on the Merrill Advisory Center Schedule of Miscellaneous Account and Service Fees. Please see the securities account agreement and account enrollment documents relating to brokerage services and related transactions and account fees for your Merrill account. If you have any questions about any charges or fees applicable to your Account, please consult with your Program Advisor.

For investments in Funds, you generally will purchase shares that have no front-end sales load or contingent deferred sales charge, or for which such loads or charges are waived. However, as a Fund investor, you will bear your proportionate share of such Fund's fees and expenses including, but not limited to, management fees and performance-based compensation paid to the Fund's investment managers or their Affiliates, fees payable to the Fund's professional and other service providers, transaction costs and other operating costs. Any Fund redemption or other fees imposed by a Fund manager as a result of you redeeming the Fund to invest in a particular Program Strategy will be separate from the Program Fee. The Program Fee does not cover or offset any of the fees and expenses that any Fund may incur for transactions occurring within the Fund itself, including commissions and other transaction-related charges incurred by the Fund, even if we effect these transactions for the Fund. Except as otherwise provided for Retirement Accounts, the Program Fee will not be reduced even if Merrill or its Affiliate effects transactions for the Funds or otherwise provides services to the Funds for compensation. Please consult the prospectuses and offering material for the Funds for more detailed information on fees, expenses and other charges.

## ABILITY TO OBTAIN CERTAIN SERVICES SEPARATELY AND FOR DIFFERENT FEES

You may be able to obtain some of the same or similar Program Services or types of investments through a brokerage account or other investment advisory programs and services offered by Merrill. Many of the tools and analytics that are used to support services provided through the Program are also available through Merrill without enrolling in the Program and paying the Program Fee. However, while clients can obtain similar products and services from Merrill without enrolling in the Program, they would not receive the Program Services, including Account monitoring services and access to Strategies. Depending on your Strategy selection, certain investment products and managed investment strategies are available to you outside of the Program for more or less than you would pay in the Program. You may also be able to obtain some or all of these types of services from other firms, and if they are available, the fees associated with them may be lower or higher than the fees we charge.

When you compare the Strategies, account types and programs and their relative costs, you should consider various factors, including, but not limited to:

- Your preference for an investment advisory or brokerage relationship.
- Your preference for a discretionary or a non-discretionary relationship.
- Your preference for a fee-based or commission-based relationship.
- Your preference for access to Program Advisors compared to an online-only (digital) relationship.
- Your preference to work with a Program Advisor by utilizing an online interactive website or not.
- Your preference to work with a Program Advisor compared to having a dedicated financial advisor.
- The nature and breadth of the offering and services provided in the programs you are comparing.
- The types of investment vehicles and solutions that are available in each Strategy, Merrill program or service.
- Whether a particular investment solution offered in one Strategy or service is available through another Strategy or Merrill program or service at a lower or higher cost.

- Whether you wish to invest in mutual funds or ETFs and which mutual funds and ETFs (if any) are available in particular Strategies or programs.
- The frequency and type of client profiling reports, performance reporting and account reviews that are available in each program or service.

You should discuss the brokerage and investment advisory services we make available with a Program Advisor to determine which may be most appropriate for you. There are important differences among this Program and these other programs to keep in mind. We have provided you with materials that help to explain the various platforms and programs we offer, including the Form CRS and the "Summary of Programs and Services" at merrilledge.com/relationships. Additional copies of these materials are available from a Program Advisor upon request.

We offer other investment advisory programs, including:

- Merrill Guided Investing ("MGI"), making available, through an online, self-guided interactive website, a selected list of investment strategies, including certain of those available in this Program, for an annual asset-based fee of 0.45%.
- Merrill Guided Investing with Advisor ("MGI with Advisor"), offering a selected list of investment strategies, including certain of those available in this Program, certain other services and access to a Program Advisor for investment advice and guidance and an interactive website for an annual asset-based fee of 0.85%.
- Merrill Lynch Investment Advisory Program ("IAP"), providing investment advice and guidance from a dedicated financial advisor and access to a comprehensive range of investment solutions, including certain of the Strategies available in this Program, for a negotiated annual asset-based fee.

The services that are available to you from these other investment advisory programs are different from the Services you receive through the Program in a number of important respects, including the range of strategies and solutions and the involvement and the nature of such involvement of a Merrill financial advisor.

## FUNDING AND OPERATION OF ACCOUNTS

**Opening a Program Account**. The Client Agreement allows you the flexibility to open or enroll into the Program an Account and any subsequent Accounts in the same account ownership capacity with verbal, electronic or written instructions. You may need to sign a separate Client Agreement if you want to open an Account in any other account ownership capacity. Examples of different account ownership capacities include an individual, a joint ownership capacity, a trustee of a trust, a guardian for a minor, a business entity (*e.g.*, corporation, partnership), and a non-IRA retirement plan.

The effective date of the Client Agreement for each of your Accounts will be the date of its acceptance by us and will be set forth in the Program Report you receive. The effective date of a Strategy change will be the date that the change is entered and noted into our systems. The Client Agreement will not apply to any Account that is not reflected in the applicable Program Report. Any preliminary discussions or recommendations provided to you before we accept the Client Agreement do not constitute investment advice under the Advisers Act and should not be relied on as fiduciary investment advice.

Your request to enroll in the Program or to initiate a Strategy change is not considered a market order due to the requirements for enrollment including funding as well as the administrative processing time needed to implement enrollment instructions. We will initiate Program Services for new Accounts after your execution of any required Account documentation, approvals and funding of the Account and expect such enrollment to occur promptly. The investment of assets of an account will only occur when all operational requirements have been met. Account acceptance may be delayed or rejected if the account is underfunded or funded with ineligible assets.

**Funding Your Account and Contributions**. There is typically a short delay between Account inception and initial investment transactions. Until we initiate Program services with respect to a new account, your assets will be held in a brokerage account for which you will be solely responsible for making any investment decisions with respect to the assets. During such time, we will not act as an investment adviser with respect to the assets.

You may fund your Account by depositing cash and/or securities acceptable to us. We may determine in our sole discretion that certain assets, including securities or pending orders relating to securities, are ineligible for the Program or otherwise unacceptable. If we determine any contributed asset is not eligible or is unacceptable, the Client Agreement allows us to transfer this asset to a Merrill securities brokerage account or sell the asset as promptly as practicable, including on a principal basis, and charge you a commission for the sale of the asset. We also may request that you take action to transfer the ineligible assets out of an Account. Failure to comply with the request to transfer such assets out of an Account enrolled in the Program may result in that Account's termination from the Program.

Contributions of cash and securities to your Account may be made at any time. There will possibly be a delay between the date that cash or securities are contributed to an Account and the date that MAA invests such cash (or liquidates contributed securities if applicable). Except as otherwise provided in the Agreement, we will not be liable for any lost opportunity profits that may result from a delay in investing or liquidating any contributed funds or securities in order to invest the proceeds into a Strategy.

As a general matter, we will sell any assets you may have in your Account in order to invest in accordance with the Strategy. If we determine not to sell the particular asset, are unable to sell the asset or if you specifically direct us in writing to not liquidate the asset (before it has been liquidated), we have the right to transfer the asset to a Merrill securities brokerage account or other account. You are responsible for all tax liabilities arising from any sale of such ineligible or unacceptable assets.

**Special Note about Funding Your Account with Mutual Fund Shares**. Before contributing mutual fund shares to the Program, you should consider the fact that you may have paid a front-end sales charge or may be obligated to pay a contingent deferred sales charge or redemption fee if the mutual fund shares are redeemed by us in order to invest in the Strategy you have selected. These fees, where applicable, will remain your responsibility and will be in addition to the Program Fee.

Each mutual fund has its own system of mutual fund share classes for certain types of clients and accounts. The Program-eligible mutual fund share classes vary depending on the mutual fund, its roster of share classes and our agreements with the mutual funds. In general, the share classes that are eligible for the Program do not have any sales loads and annual asset-based fees. Annual asset-based fees include "service fees" or "12b-1 fees" charged by mutual funds. There are some mutual funds available in the Program that have such annual asset-based fees due to share class availability.

If you contribute or hold mutual fund shares that we deem to be ineligible for the Program but within a Strategy's holdings, we will either sell them and purchase the share class eligible for the Program or we will exchange them (under the authority provided to us under the Client Agreement, mutual fund prospectus rules and our own policies) into the Program-eligible share class as promptly as practicable. We may also require you to remove them from the Account if not in a Strategy's holdings. We may not elect to exchange particular share classes of a mutual fund if, for example, there is no equivalent class eligible for the Program or if other circumstances exist. Depending on your Program Fee, by contributing mutual fund shares to your Account in the Program, you could be subject to higher expenses overall once the shares are exchanged into a class we deem to be eligible or if you held them in your brokerage account. Prior to contributing any mutual fund shares to your Account, you should discuss the impact of a sale or exchange of these shares with a Program Advisor.

**Withdrawals**. For withdrawal requests, the liquidation of certain securities will be required. Withdrawal requests will be implemented as promptly as practicable, although implementation of the withdrawal may be delayed in certain instances, such as during periods of extreme market volatility. The following will apply to our handling of a withdrawal request:

- We require at least five business days' prior notice before you withdraw assets from an Account. In certain situations, it may take longer than five business days before you can access your requested funds. MAA's ability to liquidate may be impacted by market conditions and events or pending re-balancing or other actions being taken for the Account.
- Your withdrawal request will be handled as promptly as practicable given other activities that may be occurring at the same time in an Account like changes to a Strategy, any rebalancing transactions in process and other activity affecting the Account.
- If you do not withdraw the proceeds received from a requested liquidation from the Account within 15 calendar days after the proceeds have settled in the Account, MAA may take action to reinvest the proceeds without notifying you in accordance with the Strategy.
- We reserve the right to terminate any Account that falls below the required minimum asset size as reflected in the applicable Profile for a Strategy. If your account balance is not sufficient to fully implement the Strategy selected for the Account, we may request additional funds or terminate the Account's enrollment in the Program.
- We reserve the right to terminate any Account that falls below the required Program minimum as outlined in this Brochure.
- We reserve the right to liquidate, redeem or exchange Funds and other securities that are transferred from an Account to a brokerage account.
- We will charge the Program Fee on the value of your Account investments until the proceeds from any sale or redemption have moved out of the Account.
- Taxable gains and losses may be realized as a result of your withdrawal instructions.
- Frequent withdrawals from your Account may affect the achievement of investment objectives for the Strategy you selected.

**Service Changes or Additions**. You may change or add a Service or add Accounts to your Portfolio, subject to approval by us, by contacting a Program Advisor. We will implement any approved changes that you select as soon as reasonably possible. You will not be able to use Visa® cards or write checks on an Account while it is enrolled in the Program.

**Terminating Enrollment in the Program**. The Client Agreement may be terminated at any time by either us or you, with verbal or written notice to the other party. The termination of the Client Agreement will terminate all Accounts. You may also terminate any Accounts subject to the Client Agreement by giving us notice of such termination. Your termination of a particular Account will not automatically terminate any of your other Accounts. Termination of the Client Agreement will not affect or preclude the consummation of any transaction initiated prior to termination. Termination of your Account will be effective following the completion of processes that may be required to terminate the Account, including any required liquidations.

We will not be responsible for market fluctuations in your Account from the time of termination until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner. Factors that affect the orderly and efficient liquidation of an Account include, but are not limited to, size and types of securities, liquidity of the markets and market-makers' abilities. Due to the administrative processing time needed to terminate an Account, termination requests cannot be considered market orders. It could take up to several business days under normal market conditions to process your request.

Upon termination of an Account or the Client Agreement, a pro-rata adjustment to the Program Fees for the remainder of the billing period will be made, which may result in a refund of your Program Fee monthly payment. In addition, your Account will be converted to, and designated as, a brokerage account that will be subject solely to the terms and conditions of the Merrill securities brokerage account agreement.

The termination of the employment of a Program Advisor with Merrill or a change in the role of your Program Advisor who had been assisting you with your Account will not automatically terminate the Client Agreement. In the event that a particular Program Advisor is no longer able to service your Account, we will transfer that Account to a different Program Advisor. The Account will remain in the Program and incur the Program Fee until you instruct us otherwise.

Merrill reserves the right to take action under its Program guidelines to terminate the Account from the Program or to authorize or preclude Program Advisors from taking action in respect of your Account if we are unable to obtain instructions from you as to your Account in a timely manner. If your Account is terminated and converted to a brokerage account, the brokerage services and activities will be limited. You (or any other party acting on your behalf) will have the sole responsibility for the investment of assets in the brokerage account. In the event of a termination, the Account assets will not be liquidated but will be held in your brokerage account, except where the holding of such security in that account is not permitted.

For certain mutual funds, the advisory share class of such funds are not eligible to be held in an account that is not enrolled in the Program. Upon Account termination or termination of the Client Agreement or if you or we move or transfer the Fund shares from your Account to a brokerage account, we will automatically liquidate, redeem or exchange these shares into another appropriate share or unit class in accordance with applicable offering materials and our own policies, without providing prior notice. Any liquidation, redemption or exchange will generally be effected as soon as practicable, which may be as soon as the close of the next business day following termination or transfer. Additional fees and expenses may apply upon any such liquidation, redemption or exchange. Brokerage share classes generally will have higher operating expenses than advisory share classes that are eligible for the Program and will charge sales loads and annual asset-based fees, which will be used to compensate Merrill or one of its Affiliates.

**Cash Balances**. The CIO will determine the cash allocation for the Strategies. The cash allocation can be held in the form of cash balances or investments in money market funds, which have a one-day settlement period, or other cash alternatives. At times, your Account will have an allocation to cash balances that will be automatically swept to the cash sweep option applicable to your Account under the Cash Sweep Program because we have made a decision to keep a cash balance for various purposes, such as your cash needs or as a way to fulfill your cash asset allocation target. The CIO determines whether to keep a cash balance for operational and/or investment purposes as part of a Strategy.

We have a conflict of interest regarding the use of bank deposits as a cash sweep option because such use benefits Merrill and benefits our Bank Affiliates. See "Item 9 Compensation, Conflicts of Interest and Material Relationships—Cash Sweep Program Compensation Received by Us and Our Affiliates" and "Item 9 Participation or Interest in Client Transactions and Conflicts of Interest-Cash Balances and Cash Sweep Program."

You can hold cash in a separate brokerage account or in a deposit account at a Bank Affiliate or at another banking institution. This cash will not be subject to the Program Fee and will not receive any Program monitoring and other Program Services. We will not be an investment adviser or fiduciary with respect to such cash.

**Legal Matters and Related Notifications**. We will not advise or act for you with respect to any legal matters for securities held in your Account, including bankruptcies or class actions. In its role as a broker-dealer, MLPF&S will endeavor to send you any documents received with respect to such matters.

We will respond to corporate actions for securities in the Account. Corporate actions for a client's account can include any conversion option; execution of waivers; consents and other instruments; and consents to any plan of reorganization, merger, combination, consolidation, liquidation or similar plan.

**Your Responsibilities for Account Operation and Management**. You must notify a Program Advisor promptly of any material change in financial circumstances, investment goals or objectives, or investment restrictions (if any) that may affect the nature of the investment advice and services provided to Program Accounts. You are responsible for monitoring the total amount of deposits held at any one bank, including at any of our Bank Affiliates, for FDIC insurance limits. See "Item 4 Brokerage, Banking-Related and Custodial Arrangements and Services—Cash Sweep Program and Other Banking-Related Services." There is more detailed information about FDIC insurance and limits in the Sweep Program Guide for Merrill Clients.

**Tax Matters**. You are responsible for all tax liabilities and tax-return filing obligations arising from the transactions in your Account enrolled in the Program. You also are responsible for all tax liabilities, tax consequences, tax-return filing, and tax disclosure obligations arising from all transactions in your Account. We do not, and will not, offer tax advice to you and we strongly encourage you to seek the advice of a qualified tax professional in all instances for tax advice and to understand the tax consequences to you of investments that may be covered by the Program. We are not responsible for attempting to obtain any tax credit or similar item or preparing and filing of any legal document on your behalf.

You should be aware that tax consequences may arise when Strategy changes occur in your Account such as rebalancing, liquidations and redemptions.

Merrill makes available Strategies described as being "tax aware." See Item 6. Portfolio Manager Selection and Evaluation – Strategy Construction. Tax aware strategies should not be understood to mean that investors can avoid taxes on investment income, such as dividends and interest and capital gains generated from investments held or resulting from active portfolio management.

Except to the limited extent described in this section, we specifically disclaim any undertaking of tax management of your Account or investments and assume no responsibility for any resulting tax consequences. Additionally, if you direct us by contacting a Program Advisor (or by contacting us by telephone at 888.654.6837) to take certain actions for tax related reasons, there is no assurance that your desired tax effect will be realized. For example, if you direct us to realize gains in your Accounts, when we resume normal trading activity, such activity could generate new taxable losses or gains, and the same or similar securities may be repurchased.

Similarly, if you direct us to realize losses in your Account, when we resume normal trading activity in your Account, such activity could generate new taxable losses or gains. Upon your request to realize losses within an Account, we will attempt to undertake the following: (1) restrict purchases of substantially identical securities in the Account for a minimum of thirty-one calendar days following the sale of securities at a loss in the Account; (2) restrict sales of substantially identical securities in the Account that are currently at a loss for a period of thirty-one calendar days following the purchase of securities in the Account; and (3) at our discretion, engage in strategies to invest the available proceeds for varying time periods in substitute securities, current holdings, and/or alternative securities such as ETFs. We also could determine to hold cash in certain circumstances. We do not make any guarantee that these actions will be successful in recognizing the losses. MAA will generally accept specific tax gain and loss requests for taxable Accounts but the extent to which it implements such a request may be affected by its qualitative assessment of market liquidity. MAA can reject a client's request for tax-related trades in whole or in part at its discretion.

We are not providing any tax advice with respect to the effects of these transactions including whether a loss has been recognized under the wash sale rules under the Code. We do not take into account the trading activity in any of your other accounts, including your other Accounts in the Program or any accounts you have with Merrill or its Affiliates or third parties. You should consult your own professional tax advisor regarding the tax consequences of these transactions. You should be aware that as a result of these transactions, a higher than normal cash position may result for a period of time. In addition, this type of transactional activity may adversely affect Account performance and may increase the volatility of its results.

# Item 5. Account Requirements and Types of Clients

## CLIENT ELIGIBILITY

Merrill requires that all clients who wish to enroll in the Program enter into the Agreement, which sets forth the services that Merrill and/or MAA will provide to the client. The Agreement sets forth the terms and conditions that govern the handling of the client's Account or Accounts and the investment advisory relationship between the client and Merrill.

Clients generally eligible to participate in the Program include individuals, trusts, estates, corporations and virtually all other types of business as defined by us. Not all Merrill account types are eligible for enrollment in the Program and not all types of clients are eligible for each Strategy.

### PROGRAM MINIMUM

There is a minimum asset requirement of $20,000 to enroll into the Program. We may waive or alter this minimum at our discretion. The Strategies in the Program each require an initial minimum investment amount as reflected in the applicable Profile. Following enrollment, an Account must maintain a minimum asset amount set by us in our discretion in order for us to provide Program Services. If your Account's assets do not meet this minimum, we may request that you contribute additional funds to your Account. If you decide not to take the requested action, we reserve the right to terminate your Account from the Program, which converts the Account to a brokerage account type. We may change these minimums at any time.

### RETIREMENT ACCOUNTS

In accordance with Department of Labor regulations under Section 408(b)(2) of ERISA, we are required to provide certain information regarding our services and compensation to assist fiduciaries and plan sponsors of those Retirement Accounts that are subject to the requirements of ERISA in assessing the reasonableness of their plan's contracts or arrangements with us, including the reasonableness of our compensation. This information is provided to you at the outset of your relationship with us through the Retirement Account Addendum/408(b)(2) fee disclosures which references information included in this Brochure and the Agreement, and as required thereafter.

The sub-accounting service or distribution fees received from the mutual fund or a fund service provider or its Affiliate relating to mutual fund or other securities holdings in a Retirement Account will be credited to the Retirement Account on a periodic basis.

In the future, your Retirement Account may invest in shares of mutual funds which are Related Funds that we may offer from time to time. If a Retirement Account invests in a mutual fund that is a Related Fund, then any advisory fee or other compensation paid to Merrill or our Affiliates that is incurred in connection with the investment in a Related Fund, will be credited to the Retirement Account on a periodic basis, to the extent required by law.

If you contribute to a Retirement Account or hold in a Retirement Account mutual fund shares that we deem to be ineligible for the Program, such shares will be converted into a class of shares of the same mutual fund we deem to be eligible and will then be subject to the Program Fee. The timing of any such conversion is determined by us in our sole discretion. Prior to contributing any mutual fund shares to your Retirement Account, you should discuss the impact of a conversion of these shares with a Program Advisor.

## Item 6. Portfolio Manager Selection and Evaluation

### SELECTION AND REVIEW OF STRATEGIES AND FUNDS AVAILABLE IN THE PROGRAM

Through the Program, we make available Strategies with various investment styles and corresponding risk levels, in each case that we decided in our discretion to make available in the Program. The determination to include the Strategies selected in, or to remove them from, the Program is made by us based on a variety of factors, including client needs, investment styles available in the marketplace, platform capacity, client demand and the outcome of reviews conducted by or under our auspices, including through the CIO. The CIO is a Merrill business group providing investment solutions, portfolio construction advice and wealth management guidance to Program Advisors and clients, and it is separate from MAA and from the Merrill business group that administers the Program.

We perform, through our product teams' internal business processes, initial and periodic reviews of Strategies and Funds available in the Program. In addition to these business processes, we have in place an investment review, referred to as the "CIO Review Process", conducted by or under the auspices of personnel of the CIO of Funds, including those to be included in the Strategies ("constituent Funds"). The CIO Review Process consists of proprietary processes conducted by the CIO and those processes and reviews provided by third-party reviewers that we have engaged for this purpose. The third-party reviewer processes and reviews are generally consistent with the review processes that the CIO deploys but they are not identical. We, through the CIO, have reviewed such third-party reviewers' processes and believe they are reasonable and appropriate in light of the objectives of the Program.

Once we identify a need for a particular investment management style or strategy, a quantitative and qualitative due diligence process is employed, including but not limited to, the organizational structure and stability of the investment manager or Fund manager or sponsor, adherence to investment style, including sustainability or impact investing (SII) attributes, where relevant, evaluation of risk and volatility, investment professional and strategy resources, investment philosophy and process, portfolio construction, performance, and operating and administrative capability. Based on these factors and using the information collected, the CIO Review Process involves quantitative and qualitative analytical methods, some of which may be subjective. Generally, no single factor will be determinative.

Our reviews may involve in-person visits, telephone conference calls, reviews of performance, and updates of certain Fund documents and information. We may also conduct periodic analysis of composite performance to determine whether that performance generally appears to be consistent with that of the Funds. We do not perform audits of Funds to verify past performance information that the Funds provide to us.

For each Strategy, we will periodically evaluate factors related to the Strategy and Fund investments included in the Strategy that we deem appropriate. These reviews may occur as part of the CIO Review Process or otherwise. In addition, for each Fund available at Merrill, including those included in the Strategy, we will periodically evaluate factors related to the Fund investments that we deem appropriate. In addition, we may initiate reviews based on various factors determined by us and the CIO to be appropriate, including the level of assets in a Strategy or Funds in client accounts at Merrill or our Affiliate, the number or percentage of Merrill or Affiliate clients in a Strategy or its included Funds and the asset class involved. If we identify concerns regarding a Strategy or a Fund that we find significant or important, we may choose not to accept any new investments in that Strategy or the Fund. A drift or variation of the style of management of a particular Strategy or constituent Fund from the stated style does not require a removal from our Program offering. Merrill retains the decision-making authority to add or remove a Strategy or a constituent Fund, regardless of or in light of the results of any review conducted, including the CIO Review Process.

Our product teams' internal business review and the CIO Review Process form the basis for Merrill determining whether to make ETFs available for use in the Program. In addition, the CIO Review Process determines whether ETFs will be included in a Strategy constructed and implemented by the CIO. The CIO Review Process and conclusions from that process do not rely on or otherwise use the research reports and ratings related to certain ETFs of the BofA Global Research Group (Research Ratings) as an input or factor. The CIO, BofA Global Research and other business units of BofA Corp. apply different methodologies in their review of ETFs and may arrive at different or inconsistent conclusions.

Note that Fund managers include as part of their Fund's investment portfolios individual equity and fixed income securities based on their own review and portfolio management processes and determinations. These individual securities may not be covered, and are not required to be subject to, the CIO Review Process.

***Our review of the Strategies and Funds does not substitute for your ongoing monitoring of your Account and the performance of your investments.***

## STRATEGY CONSTRUCTION

Through the Program, we, through the CIO, will construct the Strategies and select the Funds and the allocations or allocation ranges for each Strategy. Please refer to the Profile for additional information about the Strategy you select. In general, we develop the Strategies in an effort to strike a balance between current income and growth, unless otherwise noted in the Profile for the particular Strategy. The CIO selects the constituent Funds for the particular Strategy and, when doing so, selects only those subject to the CIO Review Process and those that are considered to have sufficient assets under management and to meet minimum trading volume parameters. In addition, it considers and evaluates their share price or net asset value, along with the corresponding allocation weighting, in light of the Strategy's investment minimum.

The CIO determines the allocations or allocation ranges for the Strategies. It develops the strategic asset allocations for the Strategies based on its long-term expected return, risk and correlation assumptions for each asset class ("capital market assumptions"), its view of the appropriate long term allocation guidelines to follow in light of market conditions, expected trends and, as applicable, corresponding tactical asset allocation adjustments. The tactical asset allocation adjustments are applied to those long-term asset allocations based on the CIO's near-term market, economic, and asset class expectations. These tactical adjustments overweight or underweight specific asset classes, incorporating its investment views on how market dynamics, phases of the economic or business cycle, and particular investment themes may affect the Strategies. In order to determine tactical asset allocations, the CIO utilizes internal as well as third-party research and data at both the macro and micro levels.

Strategies are "taxable" for low tax sensitivity investors or "tax aware" for high tax sensitivity investors. CIO's tax aware approach assumes forward-looking tax-adjusted return estimates based on the asset classes' respective market indices as part of its strategic asset allocation framework for high tax-sensitivity investors (*i.e.*, investors in the top U.S. federal income tax bracket). As tax aware, a Strategy seeks higher allocations to tax-efficient asset classes, including with the fixed income allocation's tax exempt bond exposure, geared to taxable clients and those with higher tax sensitivity. "Tax aware" does not mean investors can avoid taxes on investment income, such as dividends and interest, and capital gains generated from investments held or resulting from active portfolio management. See "Item 4 Tax Matters".

Once the Strategies are constructed, the CIO regularly monitors and reviews them and makes adjustments based on asset allocation changes. The Funds used in the Strategies are also periodically reviewed to ensure they continue to meet the criteria for inclusion. The Strategies are subject to internal governance and oversight processes on a periodic basis, which may include a review of Strategy performance against expectations as well as any applicable investment or regulatory restrictions. The offering of the Strategies is also subject to internal governance processes and applicable legal requirements.

The Program does not currently offer any Related Funds. However, to the extent any Related Funds become available, we may determine to include them in a Strategy. The conflicts of interest and other considerations arising from the use of Strategies constructed, implemented and managed by Merrill or any of its Affiliates or Related Companies are discussed in "Item 9 Compensation, Conflicts of Interest and Material Relationships."

## AVAILABLE INFORMATION REGARDING STRATEGIES AND FUNDS

We make available additional guidance to Program Advisors through regular or ad hoc internal publications. This may include information that reflects our internal opinions and views with respect to a Strategy or Fund, notices of a particular event that may lead to these being closed to new investments or terminated from a Strategy, or other information. You should discuss with a Program Advisor any questions you may have about our views with respect to a particular Strategy or Fund. You should review any investment materials available from your Program Advisor about investments in your Account, including any prospectuses and other offering material produced by issuers and sponsors of investment products.

You will generally be provided with a Profile for each Strategy made available to you through the Program. You should carefully read the Profile provided and understand the relevant objectives, styles and risks. The Profile will also describe the role of MAA and any related Account requirements with respect to the Strategy. The Profiles for the Strategies include performance information from MAA. We make no claim that the Profile performance information has been calculated according to any industry standards. Please note that any past performance shown on the Profile is not indicative of future results and your investment performance for any Strategy in your Account may differ from the information presented in the Profile for that Strategy. Account performance also may differ for a variety of other reasons, including timing of enrollment in the Program, client-imposed Reasonable Investment Restrictions and Firm restrictions and other considerations.

## ADVISORY SERVICES PROVIDED BY MERRILL AND CERTAIN AFFILIATES

Merrill and MAA act as the portfolio manager for your Account as described in "Item 4 Investment Strategy Services." We act as both the wrap fee program sponsor and portfolio manager for the Strategies offered through the Program and receive the Program Fee as described in this Brochure. Merrill receives the entire Program Fee as described in this Brochure. We also act as the portfolio manager in other wrap fee programs sponsored by us. We act as an investment adviser in certain investment advisory programs, such as MGI and MGI with Advisor, which provide investment advisory services that are similar to the Program Services but are not the same. Additional information is available in "Item 4 Ability to Obtain Certain Services Separately and for Different Fees."

The CIO releases information and analyses about a Fund to Merrill, MAA, our Affiliates and financial advisors, including Program Advisors, at the same time, it is possible that our Affiliates and other investors act on that information before Merrill or MAA has had the chance to evaluate and act on those changes. Accounts that commence trading after the release of such information will be subject to price movements, particularly with large orders or where securities are thinly traded, that would cause them to receive prices that are less favorable than those obtained by Affiliates or other investors.

## TAILORED INVESTMENT ADVICE

As described in "Item 4 Advice and Guidance," we will recommend a Target Asset Allocation based on certain information provided by you, and you will be able to select a Strategy for your Account. You also can request that we impose Reasonable Investment Restrictions. If you have an investment policy statement or other investment guidelines ("IPS"), it is your responsibility to ensure that the IPS is properly reflected in your responses inputted into your discussion with a Program Advisor, including any investment restrictions. We do not have any responsibility to review, monitor or adhere to any IPS relating to your Account. Adherence to your IPS is solely your responsibility. To the extent the terms of such IPS conflict with a Strategy you select under the Program, by signing the Client Agreement, you have agreed that the terms of such IPS were amended to incorporate by reference such investment or Strategy.

## PERFORMANCE-BASED FEES

The Program does not charge performance-based fees. Certain Funds that may be included in the Strategy you select, however, may be subject to performance-based fees or varying Fund expense charges that are imposed by the Fund's manager, adviser or other party that are based on performance of the Fund.

## METHOD OF ANALYSIS

The implementation and management of any CIO Strategy will be dependent upon the CIO's investment expertise, philosophy and process and will be supplemented by the Program Advisor understanding the Strategies and providing advice and guidance to you. We have made available various resources to the Program Advisor, including investment guidance and management research and publications from the CIO covering macroeconomic and market events and Strategies and Funds and information and assistance from other Merrill internal specialists and support teams. The use of such guidance and proprietary model portfolios does not assure or guarantee that investment performance will necessarily be profitable or consistent with the proprietary model portfolio.

## VOTING CLIENT SECURITIES

You have the right to vote proxies for securities held in your Account(s) and will retain proxy voting authority for such securities. You cannot delegate to us and we do not accept any proxy voting authority for securities held in your Account.

## INVESTMENT STRATEGIES AND RISK OF LOSS

Set forth below is a summary description of material risks related to the Program Services provided in the Program and significant or unusual risks. The information provided below is meant to summarize certain risks and is not inclusive of each and every potential risk associated with each Strategy or applicable to a particular Account. Therefore, you should not rely solely on the descriptions provided below and are urged to speak with a Program Advisor and ask questions regarding risk factors applicable to a particular Strategy, read all disclosures and determine whether a particular Strategy is suitable for your account in light of your specific circumstances, investment objectives and financial situation.

**General Risks of Investing**. All investments involve risk, the degree of which may vary significantly. Investment performance can never be predicted or guaranteed; and the values of your assets will fluctuate due to market conditions and other factors. Investments made, and the actions taken, respecting your Program assets will be subject to various economic, geographic and political risks, and market conditions, such as changes in interest rates, availability of credit, inflation rates, global demand for particular products or resources, natural disasters, climate change, economic uncertainty, pandemics and epidemics (*e.g.* COVID-19), terrorism, social and political discord, debt crises and downgrades, regulatory events, governmental or quasi-governmental actions, changes in laws, and national and international political circumstances risks. Investments will not necessarily be profitable. You assume the risks of investing in securities and other investments, and you could lose all or a portion of their value.

Strategies that consist of Funds comprised of equity securities (such as stocks) will be more or less volatile and carry more risks than some other forms of investment. The price of equity securities may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements will generally result from factors affecting individual companies, sectors or industries selected for a portfolio or the securities market as a whole, such as changes in economic or political conditions. Funds that are comprised of fixed income securities increase or decrease in value based on changes in interest rates. If rates increase, the value of these investments generally decline. On the other hand, if rates fall, the value of the investments generally increases. Securities with greater interest rate sensitivity and longer maturities generally are subject to greater fluctuations in value. There is a risk that issuers and/or counterparties will not make payments on securities and instruments when due or will default completely. In addition, the credit quality of securities and instruments may be lowered if an issuer's or a counterparty's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security or instrument, affect liquidity and make it difficult to sell the security or instrument. Certain Strategies have constituent Funds that invest in securities and instruments that are issued by companies that are highly leveraged, less creditworthy or financially distressed. These investments (commonly known as junk bonds) by Funds are considered speculative and are subject to greater risk of loss, greater sensitivity to interest rate and economic changes, valuation difficulties and potential illiquidity. Investments in some securities can be difficult to purchase or sell, possibly preventing the sale of these illiquid securities at an advantageous price or when desired. A lack of liquidity can also cause the value of investments to decline, and the illiquid investments can also be difficult to value. Additionally, there may be no market for a fixed income instrument, and the Fund may not be able to sell the security at the desired time or price. Even when a market exists, there may be a substantial difference between the secondary market bid and ask prices for a fixed income instrument.

You should review the offering materials and other disclosure available for each relevant Strategy and/or Fund to get an appreciation of its associated risks and fees. You are assuming the risks involved with investing in the Strategies and the Funds.

There is no assurance that the performance results of any benchmark or index used in connection with a Strategy, including those shown in a Profile, can be attained. Market movements and other factors may result in significant differences between the performance of your Account, your Account's Target Asset Allocation and the Strategy selected for your Account. You should review any investment materials available from your Program Advisor about investments in your Account, including any prospectuses and other offering material produced by issuers and sponsors of investment products.

**Target Asset Allocation and Monitoring**. Any target asset allocations (including your Target Asset Allocation) or benchmarks, as applicable, referred to in connection with your Strategy, Account or Portfolio are not intended to be an assurance or guarantee of the performance of any investments in the

Strategy or the Strategy itself. There is no assurance that the performance results of any benchmark or index used in connection with a Strategy, including those shown in a Profile, can be attained. Market movements and other factors (including withdrawals from an Account) may result in significant differences between the performance of any Strategy and any Target Asset Allocation for your Account.

In addition, if accepted by us, you can impose restrictions on your Account that may result in your Account being concentrated in Funds invested in one or a few sectors, industries or securities. Concentrated portfolios typically increase the risk and volatility of an Account and may result in a decrease in diversification. We may determine not to accept such guidelines and/or restrictions. See the "Reasonable Investment Restrictions" section for more information.

**Securities Based Lending with your Account**. You may take action to make your Account assets "pledged" or used as collateral (if we consent) in connection with Lending Programs. Risks to your Account may be heightened in the event you pledge your Account or if your pledged Account makes up all, or substantially all, of your overall net worth or investible assets. The lender has the right to protect its own commercial interests and to take actions that adversely affect the management of your Account and related performance. Regardless of whether the lender is us or an Affiliate or a third-party lender, the lender's lien is senior to any rights we may have on the assets in the Account. As such, the lender has the right to sell securities in the Account that serve as collateral, if needed. Neither you nor any of us (including our Affiliates), if applicable, may be provided with prior notice of a liquidation of securities or transfer of interests in your pledged Account. Furthermore, neither you nor we are entitled to choose the securities which are to be liquidated or transferred by the lender.

**Use of Strategies Where Merrill Is the Manager**. The Strategies currently available in the Program are those that are constructed and managed by Merrill (through the CIO) and implemented for Accounts by MAA. These Strategies are not subject to the same level of review that is applicable to third-party manager strategies that Merrill offers in its other investment advisory programs. The Strategies in the Program are subject to internal governance processes and any applicable legal restrictions.

**Role of a Program Advisor in the Program**. A Program Advisor's view of the Strategies will be an important factor in determining which Strategies are recommended to you or purchased for your Account.

**Information Security, Cybersecurity and Artificial Intelligence Risks**. With the increased use of technologies to conduct business, like all companies, Merrill, its parent BofA Corp, their Affiliates, customers and clients and service providers are susceptible to operational, information security, and related risks. We and they are targets of an increasing number of cybersecurity threats and cyberattacks. Cyber-incidents cause disruptions and affect business operations, potentially resulting in financial losses, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. Similar adverse consequences could result from cyber incidents affecting issuers of securities, the Funds and Fund managers and sponsors, counterparties, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers), and other parties.

We, as well as BofA Corp., seek to mitigate cybersecurity risk and associated legal, financial, reputational, operational and/or regulatory risks by employing a multifaceted program through various policies, procedures and playbooks that are focused on governing, preparing for, identifying, preventing, detecting, mitigating, responding to and recovering from cybersecurity threats and cybersecurity incidents suffered by BofA Corp. and its Affiliates, including Merrill, and its third-party service providers. We and our third-party providers have experienced cybersecurity incidents and adverse impacts from such incidents and expect to continue to experience such incidents resulting in adverse impacts with increased frequency and severity due to the evolving threat environment. There can be no assurance that we or our service providers, will not suffer losses relating to cybersecurity attacks or other information security breaches in the future.

In addition to cybersecurity incidents and information security breaches, the focus on information security includes the collection, use and sharing of data, the safeguarding of personally identifiable information and corporate data, and the development, implementation, use and management of emerging technologies, including artificial intelligence (AI) and machine learning. We rely on our ability to manage and process data in an accurate, timely and complete manner, including capturing, transporting, aggregating, using, transmitting data externally, and retaining and protecting data appropriately. Our data management processes may not be effective and are subject to weaknesses and failures, including human error, data limitations, process delays, system failure or failed controls. Failure to properly manage data effectively in an accurate, timely and complete manner may adversely impact its quality and reliability and could adversely impact our ability to develop our products and relationships with customers, increase regulatory risk and operational losses, and damage our reputation.

Merrill may use programs and systems that utilize AI, machine learning, probabilistic modeling and other data science technologies (AI Tools), including those developed by third parties. AI Tools are highly complex and may be flawed, hallucinate, reflect biases included in the data on which such tools are trained, be of poor quality, or be otherwise harmful, which therefore requires supervision and oversight. The legal and regulatory environment relating to the use of AI Tools is uncertain and rapidly evolving, and could require changes in our implementation of AI Tools and increase compliance costs and the risk of non-compliance. We may have limited visibility over the accuracy and completeness of AI Tools developed by third parties. AI Tools often use data feeds from a number of sources. If those data feeds or formats become corrupted, compromised, or discontinued in any material manner, or become undeliverable or inaccessible in a timely manner, the tool will be unable to properly function or their operation may be adversely impacted. The AI Tools' ability to use the data may also be adversely impacted by any change in the format of data delivered or acquired by the tool. Furthermore, the use of AI tools may lead to increased risks of cyber-attacks or data breaches and the ability to launch more automated, targeted and coordinated attacks due to the vulnerability of AI technology to cybersecurity threats.

**SII-themed Strategies or Funds**. There are an increasing number of products and services that purport to offer sustainability or impact investing or strategies (SII Strategies). The variability and imprecision of industry SII definitions and terms can create confusion. Fund managers and sponsors have designed their own approach to SII investing and how they use SII-related terms for their investment products. Merrill and MAA generally do not undertake a review of these approaches (including, where applicable, any SII-related investment policy or process followed by the Fund manager) other than as part of the CIO Review Process. You should review the offering materials and Profiles to gain an understanding of how these Fund managers and product sponsors describe their investment approach.

SII Strategies, including SII-related Funds, can limit the types and number of investment opportunities and, as a result, could underperform other strategies that do not have an SII or sustainable focus. Certain strategies focusing on a particular theme or sector can be more concentrated in particular industries or sectors that share common characteristics and are often subject to similar business risks and regulatory burdens. Because investing on the basis of SII criteria can involve qualitative and subjective analysis, there can be no assurance that the methodology utilized by or determinations made by the CIO or fund manager, will align with your SII-related beliefs or values. In addition, investments identified as demonstrating positive SII characteristics at a particular point in time might not exhibit positive or favorable SII characteristics across all relevant metrics or methodologies or on an ongoing basis. SII investing practices differ by asset class, country, region and industry and are constantly evolving. As a result, a company's SII practices and the CIO's or Fund manager's assessment of such practices could change over time.

SII Strategies can follow different approaches. For example, some SII Strategies select companies based on positive SII characteristics while others may apply screens in order to exclude particular sectors or industries from an investment portfolio. Restrictions and exclusions can affect the portfolio manager's ability to make investments or take advantage of opportunities and, as a result, investment performance could suffer.

When evaluating investments for an SII Strategy, the CIO or Fund manager is dependent upon information and data that might be incomplete, inaccurate or unavailable, which could cause an incorrect assessment of an investment's SII or sustainable attributes. Neither Merrill nor MAA guarantees or validates any third-party data, ratings, screenings or processes.

**Funds**. The Strategies you select may invest in shares of, or interests in, ETFs. As an ETF shareholder, you, along with other shareholders of the ETF, will bear a proportionate share of the ETF's expenses, including, as permitted by applicable law, certain management and other fees, which may be payable to us or a Related Company. An ETF's prospectus contains a description of its fees and expenses. A copy of an ETF's prospectus is available from your Program Advisor upon your request. When you invest in an ETF, you will indirectly pay a proportionate share of the ETF's costs for services that may be similar to, or duplicative of, Services rendered as part of the Program and paid for directly through the Program Fees.

Below is a summary of certain risks relating to investing in ETFs that may apply to all or certain types of ETFs offered through the Program. Please refer to the particular ETF prospectus for more information about the risks applicable for a particular ETF. If you would like a copy of a particular ETF prospectus, you may obtain one by contacting a Program Advisor who will arrange for it to be sent to you free of charge.

ETFs are subject to risks relating to market trading that include the potential lack of an active market for ETF shares and disruptions in the creation and redemption process. Although ETF shares are listed on a national securities exchange, it is possible that an active trading market in the shares of a particular ETF may not develop or be maintained, particularly during times of severe market disruption. If ETF shares need to be sold when trading markets are not properly functioning, the ETF shares may be sold at a significant discount to their Net Asset Value ("NAV"). In some cases, it may not be possible to sell ETF shares in the secondary market. For example, an unanticipated closing of the national securities exchange on which an ETF's shares are listed or one or more markets on which either the ETF's shares trade or the ETF's portfolio holdings trade or the inability of such markets to open for trading during normal business hours, such as in response to a natural disaster or other event causing severe market disruption, could result in the inability to buy or sell shares of the ETF and the ETF's inability to buy and sell exchange-traded portfolio securities during that period, or in a disruption of the ETF's creation and redemption process, and may make it difficult for the ETF to accurately price its investments, thereby potentially affecting the price at which ETF shares trade in the secondary market. All of these events could adversely affect the performance of the ETF.

Trading in ETF shares also may be halted by an exchange or other markets because of market conditions or other reasons. If a trading halt occurs, an investor may temporarily be unable to purchase or sell shares of the ETF. Similarly, an exchange or other markets may issue trading halts on specific securities or derivatives, which will affect the ability of the ETF to buy or sell certain securities or derivatives. In such circumstances, the ETF may be unable to rebalance its portfolio or accurately price its investments and may incur substantial trading losses.

ETF shares also may trade on an exchange or on other markets at prices below their NAV. The NAV of ETF shares will fluctuate with changes in the market value of the ETF's holdings and the exchange-traded prices of the ETF's shares may not reflect these market values.

Only an authorized participant may engage in creation or redemption transactions directly with an ETF. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to an ETF and no other authorized participant is able to step forward to create or redeem, ETF shares may trade at a discount to NAV and possibly face delisting. This risk is exacerbated if an ETF has a limited number of institutions that serve as authorized participants. Certain ETFs may effect creations and redemptions for cash, rather than in-kind.

As a result, an investment in such an ETF may be less tax-efficient than an investment in a more conventional ETF. ETFs generally are able to make in-kind redemptions and avoid being taxed on gains on the distributed portfolio securities at the ETF level. An ETF that effects redemptions for cash, rather than in-kind distributions, may be required to sell portfolio securities in order to obtain the cash needed to distribute redemption proceeds. If the ETF recognizes gains on these sales, this generally will cause the ETF to recognize gains it might not otherwise have recognized, or to recognize such gains sooner than would otherwise be required if it were to distribute portfolio securities in-kind. ETFs generally intend to distribute these gains to shareholders to avoid being taxed on the gain at the ETF level and otherwise comply with the special tax rules that apply to it. This strategy may cause shareholders to be subject to tax on gains they would not otherwise be subject to, or at an earlier date than, if they had made an investment in a different ETF. Moreover, cash transactions may have to be carried out over several days if the securities market is relatively illiquid and may involve considerable brokerage fees and taxes.

These brokerage fees and taxes, which will be higher than if the ETF sold and redeemed its shares principally in-kind, will be passed on to purchasers and redeemers of creation units in the form of creation and redemption transaction fees. In addition, cash transactions may result in wider bid-ask spreads in shares trading in the secondary market as compared to ETFs that transact exclusively in-kind. ETFs that seek to track the performance of a specified underlying index ("Index ETFs") are not actively managed and the investment advisers of such ETFs do not attempt to take defensive positions in declining markets. Therefore, Index ETFs may be subject to greater losses in a declining market than a fund that is actively managed. A number of factors may affect an Index ETF's ability to achieve a high degree of correlation with its underlying index, and there can be no guarantee that an ETF will achieve a high degree of correlation with its underlying index either on a single trading day or for a longer time period. Factors such as ETF expenses, imperfect correlation between the ETF's investments and the components of the underlying index, rounding of share prices, changes to the composition of the underlying index, regulatory policies, a high portfolio turnover rate, and the use of leverage all contribute to tracking error and correlation risk. Failure to achieve a high degree of correlation may prevent an ETF from achieving its investment objective and cause the ETF's performance to be less than you expect.

Among other services provided, we or our Related Companies may effect transactions for any of the ETFs offered through the Program, and any compensation paid to us or our Related Companies by the ETF, or its Affiliates, is in addition to the Program Fee. Due to the additional economic benefit to us or our Related Companies when assets in your Account are invested in an ETF that pays compensation to us or our Related Companies, a conflict of interest exists. We attempt to address this conflict by selecting ETFs based on the investment merits of the particular investment products and not based on the compensation that we and our Related Companies earn and through the disclosure in this Brochure.

The CIO may determine to include shares of or interests in Non-traditional Funds ("NTFs") in the Strategies. NTFs are mutual funds and ETFs registered with the SEC that we classify as "Alternative Investments" as an asset class because their principal investment strategies utilize alternative investment strategies (including short selling, leverage and derivatives as principal investment strategies) or provide for alternative asset exposure as the means to seek their investment objectives. NTFs may not have the same type of non-market returns as other types of Alternative Investments since NTFs have a relatively liquid and accessible structure with daily pricing and liquidity, are subject to a more structured regulatory regime and offer lower initial and subsequent investment minimums.

## Item 7. Client Information Provided to Portfolio Managers

As part of the enrollment process, we elicit information about your financial circumstances, investment objectives, risk tolerance and other relevant information relating to your Accounts and Portfolios. We do not generally provide this information to Funds.

In managing your Portfolio, we rely on information you provide and it is your responsibility to notify promptly your Program Advisor of any updates to such information. In the Agreement, you represent to us that you have provided us and will provide us with information that is accurate and complete. Failure to do so could affect the suitability of the services being provided under the Program. We are not required to verify the accuracy of the information.

## Item 8. Client Contact with Portfolio Managers

MAA has agreed to make one or more of its advisory or investment personnel reasonably available for consultation with Program Advisors and with you by request.

## Item 9. Additional Information

### DISCIPLINARY INFORMATION

The following is a summary of certain adverse legal and disciplinary events and regulatory settlements that may be material to your decision of whether to retain us for your investment advisory needs. You can find additional information regarding these settlements in Part 1 of Merrill Lynch's Form ADV at: adviserinfo.sec.gov.

On January 17, 2025, the SEC issued an administrative order in which it found that MLPF&S willfully violated Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. The order found that, from January 2022 through April 2024, MLPF&S failed to adopt and implement reasonably designed written policies and procedures (i) to consider the best interests of clients when evaluating and selecting which cash sweep program options to make available, specifically its use of the MLBD Program and (ii) concerning the duties of its financial advisors in managing client cash in advisory accounts. The order recognized that MLPF&S took certain steps designed to consider the best interests of its clients in operating its cash sweep program and in managing client cash in advisory accounts during the relevant period. MLPF&S, without admitting or denying the findings, consented to the imposition of a cease-and-desist order, censure, and payment of a civil monetary penalty in the amount of $25,000,000.

On September 25, 2024, the SEC issued an administrative order in which it found that during the period from March 2016 to April 2018, MLPF&S failed to adequately notify certain clients with which it had a fiduciary relationship of their over-exposure to the Harvest Volatility Management LLC's Collateral Yield Enhancement Strategy, an options overlay strategy for which Harvest was the third party private investment manager and MLPF&S the custodian. In doing so, MLPF&S willfully breached its fiduciary duty under Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder to such fiduciary clients. MLPF&S, without admitting or denying the findings, consented to the imposition of a cease-and-desist order, censure, payment of disgorgement and prejudgment interest totaling $2,800,000, and payment of a civil monetary penalty in the amount of $1,000,000.

On April 3, 2023, the SEC issued an administrative order in which it found that MLPF&S had willfully violated Section 206(2) and (4) of the Advisers Act and Advisers Act Rule 206(4)-7. Specifically, the order found that from May 12, 2016 through June 29, 2020: (1) wrap fee advisory program agreements and ADV brochures contained a material misstatement because, while disclosing that MLPF&S charged a markup or markdown on foreign currency exchanges, the disclosure did not also state that an additional fee referred to as a production credit was also charged and (2) there was a failure to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act in connection with disclosures relating to currency transfers requiring foreign currency exchanges that it processed for its wrap fee clients. MLPF&S, without admitting or denying the findings, consented to the imposition of a cease-and-desist order, censure, payment of disgorgement, prejudgment interest and a civil penalty totaling $9,694,714.

On April 17, 2020, the SEC issued an administrative order in which it found that MLPF&S had willfully violated Section 206(2) of the Advisers Act. Specifically, the order found that from January 1, 2014 to May 31, 2018, it failed to disclose in its Form ADV or otherwise the conflicts of interest related to (1) its receipt of 12b-1 fees and/or (2) its selection of mutual fund share classes that pay such fees. During this period, MLPF&S received 12b-1 fees for advising clients to invest in or hold such mutual fund share classes. In determining to accept the offer of settlement, the SEC considered that MLPF&S self-reported to the SEC pursuant to the SEC's Share Class Selection Disclosure Initiative and had completed a number of the undertakings in the order prior to issuing the order. In the order, MLPF&S was censured and ordered to cease and desist from committing or causing any violations and any future violations of Section 206(2) of the Advisers Act. It was also ordered to make disgorgement payments of $297,394 and prejudgment interest payments of $27,982 to affected investors.

On August 20, 2018, the SEC announced that MLPF&S, without admitting or denying the findings, entered into a settlement related to willful violations of Sections 206(2) and 206(4) of the Advisers Act and Advisers Act Rule 206(4)-7. Specifically, the SEC's administrative order found: (1) a failure to disclose that the portfolio manager process employed in connection with a January 2013 termination recommendation was exposed to a conflict of interest (less

than one-seventh (1/7) of 1% of total advisory accounts (approximately 1,500) were invested in the products subject to the termination recommendation); and (2) a failure to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act. In determining the appropriate sanctions, the SEC considered MLPF&S' remedial acts promptly undertaken and cooperation afforded the SEC staff. MLPF&S consented to the imposition of a cease-and-desist order, a censure, and disgorgement and a financial penalty totaling approximately $8.8 million.

## OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Merrill, an indirect wholly-owned subsidiary of BofA Corp., is a leading global wealth management firm and a registered broker-dealer and investment adviser. In the United States, Merrill acts as a broker (*i.e.*, agent) for its corporate, institutional and private clients. Through its own arrangements and through BofAS, it has access to a dealer market in the purchase and sale of corporate securities, primarily equity and debt securities traded on exchanges or in the over-the-counter markets. We also act as a broker and/or a dealer in the purchase and sale of mutual funds, money market instruments, government securities, high-yield bonds, municipal securities, financial futures contracts, and options. Merrill operates the firm's U.S. retail branch system, and also provides financing to clients, including margin lending and other extensions of credit as well as a wide variety of financial services, such as securities clearing, retirement services, and custodial services.

MAA, an indirect wholly-owned subsidiary of BofA Corp., is a registered investment adviser that provides investment advisory services to clients that establish accounts under the Program and other investment advisory programs, including IAP, MGI and MGI with Advisor. As registered investment advisers, MLPF&S and MAA complete Form ADVs, which they publicly file with the SEC (available at adviserinfo.sec.gov). For purposes of Form ADV Part 2, certain MLPF&S and/or MAA management persons are registered as registered representatives or associated persons of MLPF&S. In the future, certain MLPF&S and/or MAA personnel may be considered management persons and, as such, may be registered, or have applications pending to register, as registered representatives and associated persons of MLPF&S to the extent necessary or appropriate to perform their job responsibilities.

BofA Corp., through its subsidiaries and Affiliates, provides broker-dealer, investment banking, financing, wealth management, advisory, asset management, insurance, lending and related products and services on a global basis. These products and services include (1) securities brokerage, trading and underwriting; (2) investment banking, strategic advisory services (including mergers and acquisitions) and other corporate finance activities; (3) wealth management products and services including financial, retirement and generational planning; asset management and investment advisory and related record-keeping services; (4) origination, brokerage, dealer and related activities in swaps, options, forwards, exchange-traded futures, other derivatives, commodities and foreign exchange products; (5) securities clearance, settlement financing services and prime brokerage; (6) private equity and other principal investing activities; (7) proprietary trading of securities, derivatives and loans; (8) banking, trust and lending services, including deposit-taking, consumer and commercial lending, including mortgage loans, and related services; (9) insurance and annuities sales; and (10) research across the following disciplines: global equity strategy and economics, global fixed-income and equity-linked research, global fundamental equity research, and global wealth management strategy. BofA Corp. is subject to the reporting requirements of the Exchange Act and additional information about BofA Corp. can be found in publicly available filings with the SEC.

## CONFLICTS OF INTEREST AND INFORMATION WALLS

Merrill, MAA and their parent company, BofA Corp., engage in a wide range of activities and businesses across a broad spectrum of clients. As a result, we recognize that actual, potential and perceived conflicts of interest develop in the normal course of operations in various parts of the BofA Corp. organization. To address these conflicts, information walls are in place which are designed to allow multiple businesses to engage with the same or related clients at the same time while mitigating any conflicts arising from such a situation. For example, information walls are designed to prevent the unauthorized disclosure of material nonpublic information and allow public side sales, trading and research activities to continue while other businesses within BofA Corp. possess material nonpublic information. Additionally, BofA Corp. maintains a Code of Conduct which outlines the business practices and professional and personal conduct all associates and board members are expected to adopt and uphold.

Managing conflicts of interest is an integral part of BofA Corp.'s risk management process. We believe that no organization can totally eliminate conflicts that exist explicitly or implicitly. Each of BofA Corp., BofAS, MLPF&S and MAA evaluates its business activities and the actual and possible conflicts that may emerge from its activities on an ongoing basis. To the extent that existing or new business activities raise an actual conflict of interest, or even the appearance of a conflict, we endeavor to provide you with full and clear disclosure or to take action to avoid or manage the conflict.

## CODE OF ETHICS

Each of MLPF&S and MAA has adopted an Investment Adviser Code of Ethics (the "Code of Ethics") covering our personnel who are involved in the operation and offering of investment advisory services under the various investment advisory programs for which they are a registered investment adviser. Each Code of Ethics is based on the principle that clients' interests come first, and it is intended to assist employees in meeting the high standards that each of MLPF&S and MAA follows in conducting our business with integrity and professionalism. Each Code of Ethics covers requirements that all employees comply with all applicable securities and related laws and regulations; the reporting and/or clearance of employee personal trading; the prevention of misuse of material nonpublic information and the obligation to report possible violation of the Code of Ethics to management or other appropriate personnel. All covered personnel must certify to receipt of the Code of Ethics. The Merrill Investment Adviser Code of Ethics is available at mymerrill.com/ADV/materials or we will provide a copy of each of the Code of Ethics to you upon request.

MLPF&S and MAA have each imposed policy restrictions on all personnel for transactions for their own accounts and accounts over which they have control or a beneficial interest. In addition, we have special policies requiring that certain personnel obtain specific approval of securities transactions and have implemented procedures for monitoring these transactions, as well as those of all our employees. Our requirements impose certain responsibilities on Program Advisors and their trading.

## COMPENSATION, CONFLICTS OF INTEREST AND MATERIAL RELATIONSHIPS

**Compensation and Benefits to Merrill, Program Advisors and Merrill Management Personnel**. Merrill earns revenue from the Program Fee you pay to us under the Program for our Program Advisors providing Program Services, as well as, from commissions, mark-ups and mark-downs, up-front sales charges and other sales charges or fees ("Sales Charges") paid in connection with brokerage transactions that are effected in brokerage accounts. Merrill also earns revenue from other fees and payments you may make and from what it receives from its Affiliates and from fund managers, product distributors

and sponsors and other product providers ("Third-Party Firms") related to transactions in your Account. Merrill may also receive revenue from Third-Party Firms depending on the investment products in which you invest, which is not part of a financial advisor's, including a Program Advisor's, compensation.

We (including our Affiliates), the Program Advisors whom you interact with and other of our employees benefit from the fees and charges paid by you and other clients for the Services described in this Brochure. In addition, we earn revenue from the referrals to our Affiliates (including referring to an Affiliate for banking products or services).

The amount of revenue we receive varies depending on the type of account relationship you have with us, whether your account is enrolled in the Program or is a brokerage account and investment products in which you invest and the services you use. The revenue we receive from your enrollment in the Program may also be more or less than the revenue that would be received if you had instead participated in other of our investment advisory programs or if you had engaged in the investment activities in a brokerage account. The more assets there are in your Account, the more you will pay in fees, creating a financial incentive for us and your Program Advisor to recommend that you increase the assets in your Account. In the Program, we make more revenue based on the level of assets in the Account.

There is a conflict of interest when your Program Advisor recommends an account or program type or investment strategy where it is expected that Merrill will earn greater revenue over another account or program type or investment strategy and therefore will earn more compensation.

Program Advisors receive compensation in the form of a base salary and certain incentive awards that are based on meeting performance objectives, including total assets serviced and new business, including those resulting from a referral. Having Accounts enrolled in the Program and in other investment advisory programs helps Program Advisors meet certain performance goals. However, Program Advisors do not receive a portion of the Program Fee or investment advisory fees as compensation nor do they receive transaction-based compensation. As Merrill revenue increases, there is a potential that a Program Advisor's compensation will be positively impacted. This means that a Program Advisor has a financial interest in making recommendations about your relationship with Merrill that generate higher amounts of revenue for Merrill, rather than those transactions that generate lower amounts of revenue. Having a compensation award based on meeting criteria based on client investment activity and engaging with Merrill's or its Affiliate's financial and banking-related services presents a conflict of interest between the Program Advisor and you because it could lead to such activity being promoted by your Program Advisor to qualify for the compensation award.

Our Program Advisors may recommend that you utilize the banking products and lending services of BANA or purchase products or services of our Affiliates. In addition, they may refer clients to BANA and other Affiliates for financial services that they provide, including transaction execution and investment banking services and products (including banking products). Similarly, employees of BANA, BofAS and other Affiliates may refer clients to Merrill for brokerage and investment advisory services. These referrals may involve the payment of referral fees between us and BANA or its Affiliates. If a Program Advisor refers a client to BANA or other Bank Affiliates to establish a bank account directly with the bank, Merrill receives a payment directly from each Bank Affiliate based on the daily deposit balance held by the Bank Affiliate. The amount of the payment made to Merrill varies from time to time and varies based on the Bank Affiliate. We may waive all or part of this payment. These referrals result in a conflict of interest because Merrill and our Program Advisors are incentivized to introduce products or financial, banking and lending services that provide us or our Affiliates additional compensation.

Program Advisors who recommend or complete the rolling over assets (a "Rollover") from an employer-sponsored retirement plan (such as a 401(k) plan) or from a retirement account at another firm into an Individual Retirement Account (IRA) and enrolling that IRA into the Program receive compensation or benefit based on the amount of funds transferred. There is a financial incentive for a Program Advisor to recommend a Rollover because the enrollment into the Program will generate revenue to Merrill and benefit the Program Advisor. Program Advisors have a financial incentive to recommend or complete a Rollover because the subsequent or related enrollment into the Program will increase the number of accounts serviced by the Program Advisor and help them achieve certain performance goals.

Elements of our field management compensation are based on revenues to Merrill and based on the Program Advisors whom they manage meeting performance and service goals and such other criteria as Merrill may establish from time to time. Management personnel and other employees of Merrill, MAA and their Affiliates receive incentive compensation based on a number of factors including the profitability of Merrill and BofA Corp. Their profitability is impacted by a number of factors including the growth of the business, management of expenses, the amount of Bank Affiliate cash sweep assets and the rate that is paid on those assets. We have a conflict of interest as a result of the management compensation approach that we follow. There is an incentive for our field management team to encourage Program Advisors to meet their performance and service goals that can result in more revenue to Merrill. There is a financial incentive for Merrill management to structure the scope and approach of the compensation award program to result in revenue for Merrill and BofA Corp.

We address the compensation conflicts described in this section and throughout the Brochure in a variety of ways, including by disclosing these conflicts in this Brochure and other documents, by requiring clients to affirm their interest for the Program and products in signed agreements, through oversight and supervision of particular account type relationships and specific program choices and accounts and by providing account and product disclosures and documentation to clients prior to or at time of sale. Moreover, Program Advisors are required to recommend investment advisory programs, investment products and securities that are suitable for, and in the best interest of, each client based upon the client's investment objectives, risk tolerance and financial situation and needs and considering cost. We maintain policies and procedures and supervisory and review processes, including governance approval requirements, that are reasonably designed to ensure that Program Advisors meet the standard of conduct applicable to each client and that compensation plans and referral compensation and criteria have been designed and implemented to mitigate any incentive or conflict to favor any one security type or investment product or service. Our field management compensation criteria and our Merrill employee and management compensation criteria have each been designed and implemented to mitigate incentives or conflicts to favor any one security or account type or investment, banking or lending product or service.

**Account and Program Choice**. Merrill can help fulfill your wealth management needs in our capacity as an investment adviser, as a broker-dealer, or as both. You have the ability to enroll accounts in the Program holding some or all of your investment assets and to have brokerage accounts for some or all of your assets. The various programs we offer and ways to interact with Merrill are outlined in our Form CRS, this Brochure and in our Summary of Programs and Services. Investment advisory and brokerage services are separate and distinct and each is governed by different laws and separate contractual arrangements that we may have with you. There are differences among the programs and account relationships. You may be able to obtain the same or similar Services or types of investments you obtain in the Program through a brokerage account or other investment advisory programs and services offered by Merrill. These may be available at lower or higher fees than, or the same as, the Program Fee you pay. You may also be able to obtain some or all

Services from other firms and at fees that may be lower or higher than the Program Fee we charge. A recommendation of the type of account relationship creates a conflict of interest for us. The amount of revenue we receive depends on the type of account and relationship you choose.

In the Program, you will pay the Program Fee. The Program Services provided include ongoing investment advice and guidance for your Account, access to Strategies and ongoing monitoring as described in this Brochure, as well as the services of trade execution, clearance and settlement of transactions and custody of assets. In the Program, the amount of compensation paid to us depends on the level of assets in your Account as well as certain indirect compensation outlined in this Brochure. In a brokerage account, you will pay per trade Sales Charges to purchase and sell securities. In a brokerage account, the amount of revenues we receive depends on the level of trading activity in the Account, the applicable Sales Charges as well as other indirect compensation. Your brokerage account agreement and documents will provide you with information about certain brokerage services and related transaction and account fees for your Merrill account.

Certain of the Strategies are available to you outside of the Program for more or less than you would pay in the Program. There are important differences between this Program and our other available investment advisory programs in terms of the services, structure and the applicable fees. When you compare the account types and investment advisory programs and their relative costs with what is available in the Program, you should consider the various factors outlined in the section "Ability to Obtain Certain Services Separately and for Different Fees." Certain of these factors relate to your preferences regarding the relationship, whether you are seeking ongoing monitoring services provided for in the Program, how you want to pay for investment services, the Program Fee, the level of service and the managed investment solutions you are interested in investing in.

A recommendation of the type of account relationship creates a conflict of interest for us and a Program Advisor. We address these conflicts through the disclosure in this Brochure and the Agreement and by providing clients with upfront information about our available programs. In addition, we have certain internal requirements, guidelines, policies and procedures that review for whether a particular program selection is appropriate for the client and to address actual or perceived conflicts of interest. Moreover, our Program Advisors are required to recommend investment advisory programs, investment securities and services that are suitable for, and in the best interest of, each client based upon the client's investment objectives, preferences, risk tolerance, financial situation and needs and considering cost.

**Investment Product Availability and Revenue Received from Third Party Firms**. We select the investment solutions that are available in the Program and the investment products and solutions that are available in a brokerage account primarily based on qualitative and quantitative evaluation of such factors as performance, risk management policies and procedures and consistency of the execution of their strategy within the respective arrangement. The revenues we receive from a securities transaction vary based on the type of security or investment product and its terms. For certain securities or investment products, Third-Party Firms make payments to us as compensation for various services and support. These payments also vary depending on the type of security or investment product. Not all securities and investment products make payments to us or our Affiliates and not every investment solution is available in the Program.

The ways that we generate revenue result in conflicts of interest. The variable nature of third-party payments creates a conflict of interest because it provides an incentive to utilize products for which Merrill receives third- party payments or is more highly compensated by the product provider over those where we do not receive such payments or such higher compensation. The amount of revenue varies based on a number of factors, including our or our Affiliate's role in the transaction, any payments made by a Third-Party Firm, the type of products or services selected, the method of distribution, the type of securities market where the transaction occurs (*e.g.*, new issue, primary or secondary market), where a trade order is routed for execution, and whether we or your financial advisor receive a referral fee, revenue sharing or other compensation from our Affiliate or a Third-Party Firm. We have a financial interest in financial advisors recommending the types of products and services that generate more revenue for us and/or our Affiliates.

We address this conflict through the disclosure in this Brochure and by selecting Funds based on the investment merits of the particular investment products and not based on the compensation from Third-Party Firms. Program Advisors do not have an incentive to recommend certain Strategies over others because they do not receive additional compensation as a result of these types of arrangements. In addition, we select investment products and solutions that are available and offered through the Program as well as in our brokerage accounts and other investment advisory programs primarily based on qualitative and quantitative evaluation of such factors as performance, risk management policies and procedures and on the consistency of the execution of their strategy. We maintain policies and procedures and supervisory processes designed to ensure that we and our financial advisors meet the standard of conduct applicable to each client. Except as noted, financial advisors do not receive any portion of, or credit for, the compensation paid to us or our Affiliates. For additional information, please review the sections "Compensation Received by Us for Sub-accounting Services," "Mutual Fund Share Class Selection and Compensation," "Cash Sweep Program Compensation Received by Us and Our Affiliates" and "Other Compensation Received by Us and Our Affiliates" below.

**Offering of Investments or Programs Managed by Us or Our Affiliates and Use of a Related Strategy in Your Account**. We reserve the right to have Merrill, a Merrill Affiliate or a Related Company construct (or provide investment management and advisory services for) a Strategy and charge a separate manager fee. We do not currently offer any Related Funds. We may, however, include Related Funds as an investment product available in the Program in the future. If a Strategy that charges a separate manager fee or a Related Fund is offered as an eligible investment in the Program, we would benefit from our economic interest in such Strategy or Related Fund. A conflict of interest exists when we or your Program Advisor selects or assists you in the selection of, as applicable, a Related Strategy. We address this conflict through disclosure in this Brochure. Our Program Advisors do not have an incentive to recommend certain Strategies over others because they do not receive additional compensation as a result of these types of arrangements.

Our Affiliates and related business divisions, such as BANA, offer their own managed products or wrap programs that are similar to this or other Merrill programs. Advice and/or recommendations provided to accounts in these programs will be different from, or even conflict with, the advice and guidance provided in connection with the Program, including as to recommendations and review determinations. This is due to, among other things, the differing nature of our Affiliate's investment advisory services and differing processes and criteria upon which determinations are made.

The CIO releases information and analyses about a Fund to Merrill, MAA, our Affiliates and financial advisors, including Program Advisors, at the same time. It is possible that our Affiliates and other investors act on that information before Merrill or MAA has had the chance to evaluate and act on those changes. Accounts that commence trading after the release of such information will be subject to price movements, particularly with large orders or where securities are thinly traded, that would cause them to receive prices that are less favorable than those potentially obtained by Affiliates or other investors.

**Compensation Received by Us for Sub-accounting Services**. We only make available as part of a Strategy those mutual funds and money market funds (each, a "fund") and share classes of funds that pay us to provide the required associated sub-accounting and other services. These sub-accounting and other services include aggregating and processing purchases, redemptions, exchanges, dividend reinvestment, consolidated account statements, tax reporting and other related processing and recordkeeping, services (together, "sub-accounting services"). Under agreements with each of these funds (or their respective principal underwriter or other agent), we provide daily sub-accounting services to the holders of these funds maintaining shares in an Account as well as in other Merrill securities accounts and receive the agreed upon sub-accounting services fee. This cost is either borne by the fund (like other fund expenses) as part of its operating costs or by its adviser, principal underwriter or other agent. These service arrangements and the amount of the compensation vary by fund types, fund and by share class. These fees and fee rates are subject to change from time to time and may be received individually or as part of a "bundled" arrangement that includes other types of fees, such as administration and distribution payments. Due to applicable regulation, we do not retain compensation for sub-accounting services for funds held in Retirement Accounts.

For U.S. mutual funds, depending on the specific arrangements, the sub-accounting services fees are paid from or on behalf of the mutual fund. These fees are either an asset-based fee of up to 0.10% per annum or up to $16 annually per client position in the mutual fund. For U.S. money market mutual funds, the sub-accounting services asset-based fee is generally 0.005% per annum.

We have a conflict of interest in selecting certain fund products (or share classes) for inclusion as part of our product offering available to you. Certain mutual funds or share classes that would otherwise meet our criteria for inclusion as part of our product menu but whose principal underwriters, agents or sponsors do not agree to pay the sub-accounting services fees that we charge will not be selected, thereby limiting the available universe of funds (and share classes) available to you. In addition, the amount of the sub-accounting services fees for these services varies among funds and, in certain instances, between share classes of individual funds. This results in a conflict of interest because it creates an incentive for us to recommend that you invest in funds and share classes that pay higher fees. We will receive higher sub-accounting fee payments from fund families that have higher fund assets held in our clients' accounts if the service fee calculation is based off of the level of the asset holdings. Additionally, there is a benefit to us because the aggregate amount of the sub-accounting fees exceeds the costs to provide these services. We address these conflicts of interest in the following ways. We disclose the nature of our sub-accounting service arrangements. We also determine the compensation paid to our Program Advisors on the same basis for all Program assets without regard to the amount of compensation we or our Affiliates receive. Program Advisors do not have an incentive to recommend certain funds over others because they do not receive additional compensation as a result of these types of arrangements. In addition, we and our Affiliates select funds that are available on our investment advisory platform and offered through the Program as well as in our brokerage offering based primarily on the CIO Review Process and business reviews.

**Mutual Fund Share Class Selection and Compensation**. For the mutual funds that are part of a Strategy, your assets are generally invested in the lowest cost share class eligible for the Program. The Program-eligible mutual fund share classes vary depending on the mutual fund, its roster of share classes and our agreements with the funds. In general, the share classes that are eligible for the Program allow for the payment to us of the sub-accounting services fee and do not have annual asset-based fees like Rule 12b-1 fees (although there are some mutual funds that have such fees due to legacy positions that are pending conversion to an eligible share class). Accordingly, you should not assume that you will be invested in the share class with the lowest possible expense ratio that the mutual fund provider makes available to the investing public. It is generally in your best interest to purchase lower-fee share classes because your returns are not reduced by additional fees and expenses. For clients in the Program, neither the CIO managing the Strategies' models nor a Program Advisor has an incentive to recommend or select share classes that have higher expense ratios because their respective compensation is not affected by the share class selected.

From time to time a fund may authorize us to make available to clients participating in the Program a class of shares of such fund with a lower fee structure that we believe is more beneficial to you than the class of shares previously made available in the Program. Where such exchange is available, under the authority provided to us under the Client Agreement, we will effectuate an exchange to the other class of shares of the same fund with the lower fee structure as promptly as practicable. For additional information on mutual funds and money market funds you can review our "Mutual Fund Investing at Merrill" document available at ml.com/funds and through a Program Advisor upon request.

**Cash Sweep Program Compensation Received by Us and Our Affiliates**. Merrill benefits financially when you hold cash balances in the bank deposit accounts affiliated with the Cash Sweep Program. Merrill receives payments from our Bank Affiliates on a per account basis for each account that sweeps to one of our Bank Affiliates relating to offering and supporting the Cash Sweep Program. The fees we receive from the Bank Affiliates are one of many factors that affect the interest rate paid by the Bank Affiliates on your swept cash balances under the Cash Sweep Program.

If you choose the "No Sweep" option, we also benefit from the custody or use of uninvested cash balances also known as free credit balances in Merrill accounts, subject to restrictions imposed by Rule 15c3-3 under the Securities Exchange Act of 1934. For deposits unrelated to the Cash Sweep Program to our Bank Affiliates relating to referrals, we are entitled to receive a fee directly from each Bank Affiliate based on the daily deposit balance, which fee can be waived in whole or in part.

The Bank Affiliates benefit financially from the Cash Sweep Program. Through the Cash Sweep Program, they receive a stable, cost-effective source of funding. They use bank deposits to fund their current and future lending, investment and other business activities. The participation of the Bank Affiliates in the Cash Sweep Program increases their respective deposits and accordingly overall profits. Bank profitability is determined, in large part, by the "spread" they earn on the deposits—the difference between the interest paid on the bank deposits and other amounts paid to Merrill related to these deposits, on the one hand, and the interest or other income earned on loans, investments and other assets which may be funded in part by bank deposits, on the other hand. The greater the amount of cash balances maintained in your Account (a result of a recommendation from the CIO) that is swept into a bank deposit account affiliated with the Cash Sweep Program and the lower the interest rate paid on the related bank deposit, the more our Bank Affiliates benefit.

Cash balances swept to a bank deposit account of our Bank Affiliates under the Cash Sweep Program will bear a rate of interest that has been established for, and in light of the features of, the Cash Sweep Program. The rate of interest for such deposit accounts is periodically set and reset by the Bank Affiliates in their discretion. Interest rates for the MLBD Program and RASP are tiered based upon your relationship with Merrill and Accounts that enroll in the Program and in specified Merrill investment advisory programs receive the highest tier rate available under the Cash Sweep Program. The interest rate you earn in the bank deposit account affiliated with the Cash Sweep Program will likely be lower than yields on certain money market funds and other cash alternatives.

We address the conflicts of interest associated with the Cash Sweep Program and the deposit accounts in a variety of ways, including through disclosure in this Brochure, by requiring clients to affirm their interest for the Cash Sweep Program options in signed agreements, oversight and supervision of particular account type relationships and specific investment product choices, account and product disclosures and documentation provided to clients throughout their account relationship. There is no charge, fee or commission imposed with respect to your participation in the Cash Sweep Program. Program Advisors do not receive any additional compensation for assets held in the Cash Sweep Program as opposed to another cash alternative product. We have adopted various policies and procedures reasonably designed to prevent the cash sweep arrangement compensation and other business arrangements from affecting the nature of the advice we and our financial advisors provide.

**Other Compensation Received by Us and Our Affiliates**. Separate and apart from the Program, Merrill, through its Program Advisors, may suggest or recommend that you use the Merrill securities account and our execution and custody or other services for other of your investment activity or use the services of our Affiliates. Similarly, Program Advisors may suggest or recommend that you purchase our products or those of our Affiliates. Where you use or purchase our or our Affiliate's services or products, we and our Affiliates will receive fees and compensation. Except as otherwise noted below, our Program Advisors will not receive compensation related to the Affiliate revenues that are earned or compensation that is paid to the Affiliate. We address the conflicts of interest presented by these Affiliate transactions by determining the compensation for Program Advisors based on a salary and not on revenues we receive from such transactions and having in place various policies and procedures reasonably designed to prevent the receipt of compensation by Merrill and its Affiliates and other business arrangements from affecting the nature of the advice we provide, although such policies and procedures do not eliminate such conflicts of interest.

**Compensation Received by Us and Our Affiliates for Principal Trading and Agency Cross Transactions**. Where permitted by regulation, Merrill may execute certain transactions on a principal basis itself or through its Affiliates including BofAS. Transactions that are considered principal transactions include our new issue offerings where we or our Affiliates act as an underwriter, selling group member or placement agent. In addition, we and our Affiliates can act in a principal capacity under certain circumstances when we execute transactions for your Account. In a trade executed in a principal capacity, we or our Affiliate act as your trade counterparty and it can act as a market maker for, or have a proprietary position in, the securities that are the subject of the transaction. We and our Affiliates receive compensation in connection with principal transactions, including markups, markdowns, underwriting discounts, selling concessions and other compensation. We and our Affiliates can profit from transacting as your counterparty or having proprietary positions in the subject securities. Moreover, we have an incentive to recommend a transaction in a security that our Affiliate maintains in inventory that is otherwise difficult to sell.

Except where prohibited by law, Merrill may engage in agency cross transactions. Other than transactions in a Retirement Account, Merrill may engage in agency cross transactions when it acts as agent for both buyer and seller in a transaction. If this type of trading execution occurs, since Merrill generally receives compensation from each party to an agency cross transaction, there is a conflict of interest between our obligations to you and to the other party to the transaction.

**Support Services Fees and Data Analytic Services Fees Received by Us from Certain Third-Party Firms**. As of January 1, 2027, it is anticipated that Merrill will begin to receive fees (Support Fees) from certain Third-Party Firms that relate to the services provided to them. Support Fees are also commonly referred to as a type of "revenue sharing."

Support Fees will be paid to Merrill by certain Third-Party Firms that sponsor, manage, construct, advise or distribute the following investment products in certain of our investment advisory programs (including the Program, as described below) or available in a brokerage relationship: (1) mutual funds; (2) ETFs that do not seek to track the performance of a specified market index (actively-managed ETFs); and (3) certain annuities. We will also receive Support Fees from third-party investment managers or their Affiliates relating to their separately managed account strategies made available in certain other investment advisory programs. As a component of compensation Merrill receives for its efforts related to distribution of interests in alternative investment funds (other than NTFs) made available in certain other investment advisory programs and in brokerage, Merrill also currently receives revenue sharing payments as set forth in the relevant offering documents and subscription documents. As it relates to the Program, Merrill will receive Support Fees in connection with mutual fund and actively-managed ETFs that are constituent Funds as described below.

Support Fees will be paid to us by Third-Party Firms and their Affiliates out of their own resources. In the case of fund products, the Support Fees due to Merrill for the support services will not be paid directly from the funds' assets. Merrill will retain all Support Fees, which will not be rebated or credited to your Account. Due to applicable regulations, we will not charge or retain Support Fees for assets held in Retirement Accounts.

Support Fee rates will be fully negotiable between the Third-Party Firm and us. Support Fee payments will not be a requirement for a product to be made available in the Program. Nonetheless, whether a Third-Party Firm agrees to pay Support Fees and the amount of Support Fees the Third-Party Firm agrees to pay will be considered as a factor by Merrill in its decision to make products available to our clients.

Because Support Fee rates are negotiated individually with Third-Party Firms, similarly situated products may generate different amounts of compensation to Merrill. The agreed-upon rates and the specific terms of our arrangements and payment amounts will vary among Third-Party Firms. Rates will also vary within the same product category of a single Third-Party Firm (*e.g.*, the Support Fee rate for equity mutual funds may be higher than for fixed income mutual funds) and will sometimes vary for the same product made available in brokerage accounts.

We will provide different support depending on the product type. The Support Fees we will receive in connection with products in our investment advisory programs could be based on purchases or the amount of client assets in a particular product as set forth below. A description of Support Fees by product and the fees that will apply to brokerage transactions and assets can be found in the Merrill Lynch Best Interest Disclosure Statement. In addition, a description of all products in our other investment advisory programs subject to Support Fees can be found in the Merrill Lynch Investment Advisory Program Brochure accessible at mymerrill.com/ADV/materials.

As it relates to the Program, we will receive Support Fees in connection with mutual fund and actively-managed ETFs that are constituent Funds

- Mutual Funds and Money Market Mutual Funds. For domestic mutual funds and money market funds, we will provide a variety of marketing and support services, including financial advisor product training, distributing ongoing product communications, conducting product reviews, and preparing marketing materials. The Support Fee generally is determined based on the fund's management fee, such that funds with higher management fees generally pay higher Support Fees. The Support Fees will be up to 0.10% annually of the value of fund assets held in client Accounts enrolled in the Program and in other investment advisory programs we offer.

- Actively-managed ETFs. We will provide platform onboarding and ongoing maintenance, technology and infrastructure support, and administrative and operational services. The Support Fee generally is determined based on the fund's management fee, such that funds with higher management fees generally pay higher Support Fees. The Support Fees will be up to 0.10% annually of the value of fund assets held in client Accounts enrolled in the Program and in other investment advisory programs we offer.

The receipt of Support Fees will create conflicts of interest. Because we will receive Support Fees from some Third-Party Firms and not others, and because the amounts we receive will vary among Third-Party Firms and products, we will have a financial incentive to make available and recommend products from Third-Party Firms that pay us Support Fees, or that pay us more, over products from Third-Party Firms that do not pay us Support Fees or that pay us less. Whether a Third-Party Firm agrees to pay Support Fees, and the amount of Support Fees the Third-Party Firm agrees to pay, will be a factor in our decision to make products available to our clients. As a result, in certain circumstances, products that would otherwise meet our criteria for inclusion in the Program will not be made available if the applicable Third-Party Firm or its Affiliates do not agree to pay us a Support Fee, thereby limiting the available universe of products offered to you. Third-Party Firms that pay Support Fees may receive additional opportunities to engage with Merrill personnel, or otherwise maintain relationships with Merrill. As a result, Merrill personnel may be more familiar with products offered by those firms than comparable products offered by firms that do not pay Support Fees.

Support Fees represent a source of additional revenue to Merrill that is separate from, and in addition to, the Program Fee and other compensation that we may receive in connection with client assets and transactions. In addition, the Support Fees received generally will exceed the value of the services we provide to Third-Party Firms and include a profit to Merrill. Because Support Fees are generally correlated with, and may increase, as a product's management fee, expense ratio, or fee paid to a third-party manager for its separately managed account strategy increases, we have a financial incentive to make available, promote or recommend products with higher underlying fees over comparable lower-cost alternatives when doing so results in higher Support Fee payments to us. This incentive will sometimes result in your being invested in products with higher costs, which will reduce your net investment returns. Separately, a Third-Party Firm could seek to offset the Support Fees it pays us by maintaining or increasing the fees or costs associated with its products, which would indirectly increase your costs or affect our opportunities to negotiate more favorable financial terms for client investments in the products of Third-Party Firms.

We will address the conflicts of interest described in this section through disclosure of the nature of our Support Fee arrangements in this Brochure and through account and product disclosures and documentation provided to clients prior to or at the time of sale. The payment of Support Fees will not be a condition for a Third-Party Firm's products to be made available in the Program but will be a factor in the evaluation. While Support Fee payments will not be a requirement for a product to be made available in the Program, Support Fee arrangements will be taken into account as part of the overall business evaluation process and can influence platform availability decisions. We select the products that are available and offered through the Program, other investment advisory programs we offer, and through a brokerage account primarily based on the CIO Review Process considering qualitative and quantitative evaluation of such factors as performance, risk management policies and procedures and consistency of the execution of their investment strategy. We determine the compensation paid to our financial advisors on the same basis for all Program assets without regard to the amount of Support Fees or other compensation we or our Affiliates will receive. Although our financial advisors do not receive any portion of, or credit for, the Support Fees paid to us, the conflicts associated with Merrill's receipt of Support Fees remain. Our financial advisors are required to recommend investment securities and services that are suitable for, and in the best interest of, each client based upon the client's investment objectives, preferences, risk tolerance, financial situation and needs and considering cost. We will adopt various policies and procedures reasonably designed to prevent the receipt of Support Fees and other business arrangements from affecting the nature of the advice we and our financial advisors provide. These measures help mitigate, but do not eliminate, the conflicts described above.

As of January 1, 2027, Merrill will offer optional data analytics services (Data Analytics) to certain Third-Party Firms whose investment products and services are available on the Merrill platform. Our providing Data Analytics is intended to help Third-Party Firms streamline and tailor how they engage with our financial advisors. It includes information regarding mutual funds, money market funds, ETFs, alternative investment funds (other than NTFs), separately managed account strategies, model portfolios, annuities, and insurance. Merrill reserves the right to include information regarding other products or services in the future. The information provided as part of the Data Analytics will not involve any account or client-specific information, including client personal data or individually identifiable client information. As it relates to the Program, Data Analytics does not include information about Program Advisors.

Depending on the Data Analytics selected, Third-Party Firms will receive varying levels of information about individual financial advisors and their practices, such as investment product utilization, sales metrics and other analytical data. Fees for Data Analytics will range typically from $125,000 to $860,000 per year. Merrill will also offer additional Data Analytics related to passively-managed ETFs for fees that will range from $25,000 to $550,000 per year.

In general, the more Data Analytics a Third-Party Firm selects, and the higher the fees it pays, the more extensive the information it will receive. Data Analytics are offered to all Third-Party Firms on Merrill's platform and are not required for a Third-Party Firm's products or services to be, or remain, available on the platform. The receipt of fees for Data Analytics from Third-Party Firms will create conflicts of interest. We will have a financial incentive to make available and recommend products from Third-Party Firms that pay fees for Data Analytics over those that do not. We will also have an incentive to favor Third-Party Firms that select Data Analytics with higher fees over those that select Data Analytics with lower fees. Third-Party Firms will obtain information that they may use to identify opportunities to market products and services, tailor sales and educational efforts, target particular financial advisor practices, and otherwise seek increased utilization of their products and services. This information could enable Third-Party Firms to engage more effectively with our financial advisors, which could lead our financial advisors to have greater familiarity with those firms' products and services and could influence their recommendations. We will address these conflicts in a number of ways. Fees for Data Analytics are set according to a schedule that applies uniformly to all Third-Party Firms selecting the same offering and are not individually negotiated to favor or disadvantage any particular Third-Party Firm. Whether a Third-Party Firm pays us fees for Data Analytics does not impact our financial advisors' compensation. It is also not a factor in determining whether a Third-Party Firm's products or services are approved for availability in the Program, and it is not considered as part of the CIO Review Process.

**Third-Party Firm Business Relationships and Cost Sharing and Reimbursement Support**. We and our Affiliates have business relationships with Third-Party Firms, which include third- party managers of Funds available in the Program as well as Funds, investment strategies, insurance companies and other product providers offered in other of our investment advisory programs and in brokerage accounts. We make available research, execution, custodial, pricing and other services in the ordinary course of business. Third-Party Firms can direct transactions to us or our Affiliates including effecting transactions in the ordinary course of business for funds and product vehicles managed or sponsored by them (*e.g.*, mutual funds and ETFs). We also make

available brokerage services and other Merrill or Affiliate programs and services, including banking and lending services. Any compensation paid to us or our Affiliates by a Third-Party Firm is additional compensation to us for services we and our Affiliates provide.

In order to make investment products or services available on our platform, we incur certain technology and infrastructure costs. In connection with the onboarding, maintenance or support of certain investment products, services, platforms or tools, we have received and reserve the right to seek reimbursement (or participation in the sharing) of costs associated with such onboarding, maintenance or support, including technology-related costs from Third-Party Firms for particular projects. The participation of, and payment of costs by, Third-Party Firms in connection with the onboarding, maintenance or support of their investment product on the Merrill platform for brokerage and investment advisory program creates a conflict with our ability to use strictly objective factors when selecting product sponsors to make available on our platform.

Having business relationships with Third-Party Firms creates a conflict of interest and can affect opportunities to negotiate more favorable financial terms for client investments in the products of the Third-Party Firms. We address these conflicts in a number of ways. We disclose the nature of our relationship in general with Third-Party Firms. We determine the compensation paid to our Program Advisors on the same basis for all Program assets without regard to the amount of compensation we or our Affiliates receive. Neither we nor our Affiliates incentivize our Program Advisors to recommend the products or services of a Third-Party Firm that makes such payments over those that do not and our Program Advisors do not have an incentive to recommend certain investment products over others because they do not receive additional compensation as a result of these types of arrangements or compensation. Furthermore, we do not incentivize Merrill employees to approve particular products of a Third-Party Firm for the Merrill platform. Additionally, we select Strategies and constituent Funds that are available through the Program and other of our investment advisory programs based on qualitative and quantitative evaluation of such factors as performance, risk management policies and procedures and on the consistency of the execution of their strategy.

Third-Party Firms are not permitted to condition their payment of any product and platform related costs on any amount of sales of their products or services. Third-Party Firm reimbursement or participation in the sharing of any such costs must align to Merrill internal policies and policy limits which have been reasonably designed to review the nature of the business interactions and level of expense reimbursement.

Certain Third-Party Firms periodically participate in Merrill-hosted internal training and education conferences ("Conferences") for invited Merrill financial professionals. These financial professionals include financial advisors, including Program Advisors, employees who work for a Merrill branch, market or division to support the financial advisors ("Field Management Employees") and employees who cover product, and home office support functions, which include employees of the CIO ("Non-Field Employees"). Merrill also holds client and prospect events (*e.g.*, seminars, trade shows, booth events) where Third-Party Firms participate ("Client Events"). Merrill organizes the Conferences and Client Events and approves the attendees, speakers, agenda and meeting content and sponsors. Third Party Firms reimburse Merrill for eligible costs associated with the Conferences and Client Events. Eligible reimbursable costs include venue and facilities costs (including food and beverages), certain speaker costs and continuing education costs. In addition, Third-Party Firms are permitted to pay for the cost of travel and accommodation for financial advisors, Field Management Employees, and on a limited basis, Non-Field Employees (except for employees of the CIO due diligence team). During 2025, Merrill was reimbursed by participating Third-Party Firms for certain expenses incurred in connection with a number of Conferences and Client Events in the amount of approximately $28.4 million.

Certain Third-Party Firms periodically host or participate in meetings ("Manager Meetings") where they provide certain financial advisors, Field Management Employees and Non-Field Employees with the opportunity to interact with their investment and sales personnel and to receive information and education on market conditions and events, investment products and services and practice management guidance. Third-Party Firms that hold any such Manager Meetings pay for all eligible costs associated with such meetings, including the cost of travel and accommodation for financial advisors, Field Management Employees, and on a limited basis, Non-Field Employees (except for employees of the CIO due diligence team). In 2025, the total expenditures made by participating Third-Party Firms relating to Manager Meetings was $2.5 million. Third-Party Firms also provide monetary support directly to charities or in connection with charitable events and causes that Merrill or its employees support or attend. The total contributions made by Third-Party Firms in support of charitable events and causes that we requested or initiated with the Third-Party Manager in 2025 was less than $300,000.

The participation of, and payment of costs by, a Third-Party Firm for Conferences, Client Events, Manager Meetings and charitable events present conflicts of interest. They create incentives to recommend products of participating Third-Party Firms. They give those participating in Conferences, Client Events, Manager Meetings and charitable events with more opportunities to interact and build relationships with Third-Party Firms and their personnel which could lead them to recommend the products and services of these Third-Party Firms over others. There is also a conflict of interest for Field Management Employees to approve those recommendations and for non-Field Employees to approve or highlight products of the Third-Party Firm for the Merrill platform.

We address these conflicts in a number of ways. There is no requirement that Third-Party Firms reimburse Merrill for, or pay the costs of, such events in order for their investment products to be made available on the Merrill platform. Neither we nor our Affiliates incentivize our financial advisors, including Program Advisors, to recommend the products or services of a Third-Party Firm that makes such contributions over those that do not. We do not incentivize Field Management Employees to approve recommendations of products and services of those participating Third-Party Firms. Furthermore, we do not incentivize Non-Field Employees to approve or highlight particular products of a Third-Party Firm for the Merrill platform. Third-Party Firms are not permitted to condition their reimbursement or payment on any amount of sales of their products or services. Third-Party Firm reimbursements of costs of Conference and Client Events and the payment of Manager Meeting and charitable event costs must align to Merrill internal policies and policy limits which have been reasonably designed to review the nature of the business interactions and level of expense reimbursement.

Representatives of Third-Party Firms will, from time to time, meet and work with our financial advisors and other employees, in one-on-one or in small group meetings, to provide information and support regarding their respective investment products. We have policies and procedures that limit Third- Party Firms from providing or paying for, and our financial advisors and other employees, from receiving, gifts and entertainment (including meals) other than as permitted by and subject to the limits established under Merrill internal policies. In general, our financial advisors, Field Management Employees and Non-Field Employees (except for employees of the CIO due diligence team) may accept nominal gifts and occasionally attend entertainment events, including business meals, subject to certain limits and conditions. We do not permit any gifts or entertainment conditioned on achieving a sales target.

Permitting Third-Party Firm representatives access to our financial professionals and providing gifts and entertainment present a conflict of interest. It creates incentives for them to recommend investment products of those Third-Party Firms. It can also create incentives for Field Management Employees to approve recommendations of a financial advisor, where required. Furthermore, providing gifts and entertainment to Non-Field Employees creates incentives to approve the investment products of the Third-Party Firm for the Merrill platform. In addition to monetary limits, we have policies, procedures

and supervisory controls that are reasonably designed to review the frequency and level of gifts and entertainment. Third-Party Firms are not permitted to condition their gifts and entertainment on any amount of sales of their investment products and they are not required to take any such action. Merrill does not incentivize any of its financial professionals to recommend or select one investment product over another. We have policies, procedures and supervisory controls that have been reasonably designed for regulatory requirements relating to such activities and the receipt of non-cash compensation from Third-Party Firms.

**Provision of Diversified Financial Services by Us and Our Affiliates**. BofA Corp. is a diversified financial services company that generally provides, through us and our Affiliates, a wide range of services to retail and institutional clients for which it receives compensation. As a result, we, BofA Corp. and our Affiliates, can be expected to pursue additional business opportunities with the entities whose Funds we make available through the Program. Consistent with industry regulations, these services that we and our Affiliates provide include (but are not limited to): banking and lending services, sponsorship of deferred compensation and retirement plans, recordkeeping services, investment banking, securities research, institutional trading and prime brokerage services, custody and clearing services, investment advisory services, licensing arrangements involving indices and effecting portfolio securities transactions for Funds and other clients.

In addition, from time to time, BofAS and other of our Affiliates may acquire equity stakes in market centers (*e.g.*, national securities exchanges or alternative trading systems) as part of a strategic investment and therefore stand to participate as a shareholder and investor in the profits that each market center realizes in part from the execution of securities transactions, including transactions for your Account. Additional information regarding these relationships is publicly available in Regulation NMS Rule 606 reports we file with the SEC.

## PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND CONFLICTS OF INTEREST

There are various ways that we can be viewed as participating or having an interest in client transactions. These situations and any conflicts of interest arising from such activities, execution approach or other capabilities we offer in the Program are discussed in this section and throughout the Brochure.

**Cash Balances and Cash Sweep Program**. The Sweep Program Guide for Merrill Clients provides information on the fees that Merrill receives from the Bank Affiliates for each account, including Program Accounts, that sweeps to the MLBD Program and the RASP. These fees are up to $100 per year for each account received from the Bank Affiliates. This compensation is subject to change from time to time, and Merrill may waive all or part of it. Merrill may benefit from the possession or use of cash balances, also known as free credit balances, in your accounts, subject to restrictions imposed by Rule 15c3-3 under the Securities Exchange Act of 1934. See "Item 9 Compensation, Conflicts of Interest and Material Relationships— Cash Sweep Program Compensation Received by Us and Our Affiliates."

**Participation in Affiliate Lending Programs and Margin**. There are conflicts of interest when you use a loan from Merrill or one of its Affiliates secured by your Account assets as collateral. These conflicts exist with a margin loan from Merrill or with any of our Affiliate lending programs that may be available to you from an Affiliate lender. In the case of a loan from our Affiliate, including but not limited to the Loan Management Account® product ("LMA® account"), the Affiliate lender intends to derive a profit as lender based on interest and/or fees, if any, charged on the loan. The lender, whether it be Merrill or its Affiliate, has a lien on your Account assets that are used as collateral for the loan. The lender will act to protect itself as lender in connection with the loan, and this may be contrary to your interests and/or investment objectives. Having a lien on your Account in connection with an Affiliate loan also creates a conflict of interest with respect to the recommendations we make to you. For example, your Program Advisor may recommend that you allocate your investments to your Account that has an Affiliate lender's lien rather than to another Account without such lien. Please refer to "Item 6 Investment Strategies and Risk of Loss" for additional information.

**Activity by Merrill, Affiliates and Personnel**. As part of a global financial services firm, Merrill will be precluded from effecting or recommending transactions in certain client accounts and will restrict its investment decisions and activities on behalf of its clients due to applicable law, regulatory requirements, other conflicts of interest, information held by Merrill or any of its Affiliates, it or its Affiliates' roles in connection with other clients and in the capital markets, its internal policies, and/or potential reputational risk. As a result, client accounts managed by Merrill may be precluded from acquiring, or disposing of, certain securities or instruments at any time. This includes the securities issued by BofA Corp. From time to time in the course of our and our Affiliates' business dealings described in this Brochure, confidential information will be acquired that cannot be divulged or acted upon for advisory or other clients. See "Conflicts of Interest and Information Walls" in this Item 9.

We and our Affiliates act in a variety of capacities to a wide range of clients. We may give advice or take action with regard to certain clients, including clients in the Program, which differs from that given or taken with regard to other clients. This includes the advice given or actions taken for certain securities, Funds or investment managers. In some instances, the actions taken by Affiliates for similar services and programs will conflict with the actions taken by us. This is due to, among other things, the differing nature of the Affiliate's investment advisory service and differing processes and criteria upon which determinations are made.

In addition, potential conflicts of interest also exist when Merrill maintains certain overall investment limitations on positions in securities or other financial instruments due to, among other things, investment restrictions or other restrictions imposed upon Merrill or its Affiliates by law, regulation, contract or internal policies. These limitations have precluded and, in the future could preclude, the inclusion of particular securities, Funds or financial instruments in a client's Accounts where Merrill and its financial advisors or MAA provide discretionary management services, even if the securities, Fund or financial instruments would otherwise meet the investment objectives of such Account. As a result of these ownership limits and allocations, discretionary clients will face limits on their ability to invest in certain securities from time to time and can be precluded from investing in certain securities that otherwise might have been the best available investment alternatives. Because Merrill's and its Affiliates' ownership is applied to determine the aggregate ownership limits, such limits create conflicts of interest for Merrill in determining the amount of investment opportunities in securities that are available to discretionary clients. Merrill and its Affiliates limit the overall aggregate ownership in certain Registered Funds that are mutual funds and ETFs by Merrill, its Affiliates and those of their clients that have granted discretion to Merrill, its Affiliates and/or Merrill financial advisors (discretionary clients) to avoid potential restrictions on the ability of Merrill and its Affiliates to engage in principal trading and other transactions with such funds. Registered Funds identified by us for these limitations from time to time are referred to as "In-Scope Funds." A portion of the aggregate ownership limit is attributed to our Affiliates. When Merrill and its Affiliates choose to allocate a portion of an investment opportunity in an In-Scope Fund to Merrill or its Affiliates, there is a corresponding reduction under the overall aggregate ownership limit of In-Scope Fund shares available for investment by discretionary clients. As a result of these ownership limits and allocations, discretionary clients will face limits on their ability to invest in In-Scope Funds from time to time and can be precluded from investing in certain In-Scope Funds that otherwise might have been the best investment alternatives available. Because Merrill's and its

Affiliates' ownership is applied to determine the aggregate ownership limits, such limits create conflicts of interest for Merrill in determining the amount of investment opportunities in In-Scope Funds that are available to discretionary clients.

We reserve the right to have Merrill, a Merrill Affiliate or a Related Company construct (or provide investment management and advisory services for) a Strategy and charge a separate manager fee. In such case, we and/or the Merrill Affiliate or Related Company retain both the Program Fee and the manager fee.

We and our Affiliates provide some or all of the same services offered in the Program through other financial firms, affiliated or unaffiliated with us, which offer programs similar to the Program at fee rates that differ from the Program Fee. We or one of our Affiliates may have a position in or enter into "proprietary" transactions in securities purchased or sold for clients, including clients participating in the Program. We or our Affiliates may benefit from such securities positions or transactions.

From time to time, however, a Fund selected for a Strategy may invest in securities issued by BofA Corp. or its Affiliates in seeking to achieve its investment objective. Any such investments by a Fund are required to comply with the applicable provisions of the Investment Company Act of 1940, as amended, including limitations on investments in securities-related businesses, and will not be influenced by MLPF&S or MAA.

Our employees, including Program Advisors, may refer clients to BANA, BofAS and other Affiliates for financial services that they provide, including transaction execution and investment banking services and products (including banking products). Similarly, employees of BANA and its Affiliates may refer clients to us for brokerage and investment advisory services.

These referrals may involve the payment of referral fees between us and BANA or its Affiliates. As permitted by applicable law, Program Advisors receive compensation for referring clients to our Affiliates, the amount of which varies by service and product and can be significant. This results in a conflict of interest because Merrill and our Program Advisors are incentivized to introduce products or financial, banking and lending services that provide us or our Affiliates additional compensation.

From time to time, a shareholder of BofA Corp. could acquire a sufficiently large interest in BofA Corp. that the holding triggers statutory or regulatory obligations or restrictions. In such event, our ability to take certain actions or make recommendations within your Account, such as buying or selling securities issued by the shareholder or its Affiliates, will be limited.

We address these conflicts in a variety of ways, including through disclosure in this Brochure. In addition, our Program Advisors are required to recommend investment advisory programs, investment products and securities that are suitable for each client based upon investment objectives, risk tolerance and financial situation and needs. We also have a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest – both those arising between and among Accounts as well as between Accounts and our business (*e.g.*, personal trading preapprovals, self-reporting, restrictions on our personnel detailed in our policies and procedures and Code of Ethics). We have also adopted various policies and procedures reasonably designed to prevent the receipt of any referral compensation and other business arrangements from affecting the nature of the advice we and our Program Advisors provide, although such policies and procedures do not eliminate such conflicts of interest.

**Trade Execution**. As a broker-dealer and a registered investment adviser, we execute transactions in your Account on a principal basis (that is, when we or our Affiliate sell a security to you, or buy a security from you, for our own account) where permitted by applicable law. Transactions that we conduct on a principal basis include transactions involving fractional shares or lots within your Account. In a trade executed in a principal capacity, we or our Affiliate act as your trade counterparty and can act as a market maker or have a proprietary position in the securities that are the subject of the transaction. See "Compensation, Conflicts of Interest and Material Relationships—Compensation Received by Us and Our Affiliates for Principal Trading and Agency Cross Transactions."

There are conflicts of interest present when we execute transactions in your Account on a principal basis. If Merrill effects a principal transaction for your Account, then in addition to the Program Fee, we receive a commission, markup or markdown, underwriting fee or selling concession, or other compensation with respect to the transaction, which would result in additional compensation or other benefit to us or our Affiliate, other than for fractional shares. We also benefit from the "spread" or the difference between the price we pay for a security and the price at which we sell it to you, or between the price we may pay for a security that we may buy from you and the price for which we may later sell it. In addition, we have an incentive to recommend a transaction in a security that we maintain in our inventory that is otherwise difficult for us to sell. The receipt of additional compensation and an incentive to recommend a transaction involving our inventory present conflicts between our interest and yours. The types of securities that may be purchased or sold on a principal basis in your Account pursuant to the terms of your Client Agreement may change in the future and could become more limited.

We may, at times, have the opportunity to act as agent for both buyer and seller in a transaction for your Account. This is called an agency-cross transaction. Since we generally will receive compensation from each party to an agency-cross transaction, there is a potential conflict between our responsibilities and loyalties to you and to the other party to the transaction. Any compensation we receive will be in addition to the Program Fee. The Client Agreement generally gives us permission to engage in agency cross transactions for your Account, except where prohibited by law. You may revoke your consent at any time by notifying us in writing.

At times, we may consider a security being sold by one investment advisory client to be appropriate for purchase by another investment advisory client account. In such cases, we may arrange to transfer or "cross" the security directly between the affected accounts. Any cross transactions in your Account would be effected in accordance with applicable law and your Client Agreement. Cross transactions generally will be effected at an independently determined market price and will not result in any additional compensation to us.

For a Retirement Account that is subject to ERISA or the Code's prohibited transaction rules, transactions, including agency-cross transactions, will be effected by or through Merrill or our Affiliates in compliance with ERISA Section 408(b)(19), U.S. Department of Labor Prohibited Transaction Exemption 86-128, or otherwise in a manner that is not prohibited by ERISA or the Code.

We do not receive payment for order flow from liquidity providers to which we route our customer orders in equity securities. We directly or indirectly (through our Affiliates) receive rebates from, and pay fees to, certain registered securities exchanges for providing or taking liquidity on those exchanges, according to those exchanges' published fee schedules filed with the SEC. In some cases, the rebates received by us from an exchange will, over a period of time, exceed the fees paid to the exchange. The rebates and payments from these third parties vary depending on the order and the exchange to

which orders are directed and create a conflict of interest because we are incentivized to recommend transactions that provide us with greater rebates or payments from these exchanges.

**Covered Entities under the Volcker Rule**. We may provide certain entity clients that qualify as "family wealth management vehicles" (FWMV clients) or certain entity clients that qualify as "customer facilitation vehicles" (CFV clients) as described in the Agreement with both the Program Services as well as lending services and engage, where permitted, in principal transactions. In doing so, we rely on the exclusions for Volcker "covered funds" under the Volcker Rule implementing regulations that are available for FWMV clients and CFV clients and have provided such clients with key disclosures that relate to qualifying for these exclusions in the Client Agreement. For certain entity clients that are deemed "covered fund" clients under the Volcker Rule, we are not permitted to offer both Program Services and the availability of margin, lending or other extensions of credit from us or any of our Affiliates, including BANA, or engage in certain principal transactions. Certain other transactions between BANA or its Affiliates and the entity client will also be prohibited.

## ACCOUNT REVIEWS AND REPORTING

An important part of the Program relationship involves providing you with the opportunity to engage in periodic reviews with a Program Advisor. These reviews provide updates on the progress of your Account towards your goals and other important information about your investments. This review is also an opportunity to ensure that the information you provide is complete, accurate and reflects your financial situation and objectives for the Accounts enrolled in the Program.

We will contact you to request that you review your information for each of the Accounts in the Program and ensure that it is up to date. As noted above, if there are multiple owners on this Account, the information you provide should reflect the views and circumstances of all owners on the Account. If you are the fiduciary of this Account for the benefit of the account owner or account holder (*e.g.*, the trustee for a trust or custodian for an UTMA), please keep in mind that these assets will be invested for the benefit of such account owner or account holder.

A periodic review of your Account should typically occur on an annual basis; however, under our Program guidelines, we have the ability to extend or defer the timing of the review under certain circumstances and for certain periods of time. Because these reviews provide you with important and necessary information relating to your Account, you are required to take advantage of these opportunities to participate in Account reviews. If you do not participate in your Account review, we may terminate your Account from the Program in our discretion.

We will periodically communicate to you important information about how we are managing your assets in the Program. The primary means through which we will communicate with you and memorialize in writing the important terms, conditions and information about your Portfolios, Accounts and Strategies, is through a Program Report. You will receive your first Program Report from us after we accept your enrollment in the Program and each time you make changes to certain of the Services you elect, including, but not limited to, when you add Portfolios or Accounts, add or change Strategies in each Portfolio and change your Target Asset Allocation. You should review each Program Report we send to you carefully to ensure that the information reflected therein is accurate and you should contact a Program Advisor if you believe any of the information is, or becomes, inaccurate.

We will send you periodic updates that contain information about your Portfolios and Accounts, including trade confirmation information and account statements. We will also provide you with periodic performance reports to help you monitor and assess the performance of your Portfolios, Accounts and the Strategies you select. These reports contain information regarding investment return, risk and selected benchmark comparisons for your assets in each Strategy you select. You should review all such materials carefully and promptly report any discrepancies to a Program Advisor.

We reserve the right to change the format, content and nature of the presentation of information in the Program Report in our sole discretion. The Program Report or other Program communications, including those prepared or delivered in a digital or electronic format, may also include information about your accounts that are not subject to the Agreement, including, in our discretion, your brokerage accounts, other investment advisory program accounts and banking relationships and accounts held at other financial institutions. Their inclusion in a Program Report or other materials is provided for your information only and does not change the nature of our obligations to you under agreements related to those accounts and relationships. The Program Fee will not apply to these accounts or relationships, and we will not be an investment adviser or a fiduciary with respect to the assets in such accounts, solely by virtue of their inclusion in a Program Report or other materials we provide. Any such included accounts will continue to be subject to the terms and conditions of the applicable securities or other account agreements. Any advice that we may provide to you with respect to the assets in such accounts, including asset allocation advice, will be incidental to the services that we provide to you under the other applicable securities or other account agreements.

## REFERRALS AND OTHER ARRANGEMENTS

Our Program Advisors are not permitted to give to you or accept from you any fee, kickback, or other thing of value, including, gifts, meals, or entertainment pursuant to any agreement or understanding, oral or otherwise, for receiving or referring business.

Our employees may refer advisory clients to BANA, including its private bank, BofAS and other of our Affiliates for products and services. Similarly, employees of BANA and its Affiliates may refer clients to us for brokerage or advisory services. These referrals may involve the payment of referral fees between us and BANA or its Affiliates. For more information, see the section "Participation or Interest in Client Transactions and Conflicts of Interest—Activity by Merrill, Affiliates and Personnel."

We enter into marketing arrangements with third parties who, for compensation, provide consulting or other services to us in connection with the marketing of our various advisory programs. Any such marketing arrangement is governed by a written agreement between us, as applicable, and the third party, and will be disclosed to you, as required by law.

## FINANCIAL INFORMATION

Not applicable because (1) Merrill is a qualified custodian as defined in Rule 206(4)-2 under the Advisers Act (2) Merrill and MAA do not require or solicit the prepayment of more than $1,200 per client six or more months in advance; (3) there is no financial condition of which we are aware that is reasonably likely to impair Merrill's or MAA's ability to meet contractual commitments to its clients; and (4) Merrill or MAA each has not been the subject of a bankruptcy petition at any time during the past 10 years.

## Glossary

"**Account**" means each of the securities accounts to which the Client Agreement applies and that are enrolled in the Program, and as set forth in the Program Report.

"**Advisers Act**" means the Investment Advisers Act of 1940, as amended.

"**Affiliate**" means a company that is controlled by, in control of, or under common control with another company.

"**Alternative Investments**" means such investments as we designate from time-to-time in our sole discretion whose risk and return characteristics generally are not correlated with more traditional investments (*i.e.*, equities, fixed income and cash). This term includes non-traditional mutual funds.

"**Annual asset based fees**" means those fees imposed by mutual funds on an annual basis, like service fees and Rule 12b-1 fees.

"**Authority**" means the authority to make certain investment and trading decisions with respect to the assets in an Account as described in "Item 4 Investment Strategy Services."

"**Bank Affiliate**" means Bank of America, National Association (BANA) or other banks that are affiliated with us. "BofAS" means BofA Securities, Inc., an Affiliate of Merrill.

"**Cash Sweep Program**" means the program provided as part of your securities account whereby cash balances in your Account are automatically swept into a cash sweep option available for your Account type.

"**CIO**" means the Chief Investment Office. The CIO is a Merrill business group providing investment solutions, portfolio construction advice and wealth management guidance to MLPF&S financial representatives and clients.

"**Client Agreement**" means the investment advisory agreement relating to the Program among the Client, MAA and MLPF&S, as it may be amended from time to time.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**FDIC**" means the Federal Deposit Insurance Corporation.

"**FINRA**" means the Financial Industry Regulatory Authority, Inc.

"**Fund**" means registered investment companies that are mutual funds and ETFs.

"**MLBD** Program" means the Merrill Lynch Bank Deposit Program.

"**NTF**" means a nontraditional mutual fund or ETF registered with the SEC that is classified as an Alternative Investment by us because its principal investment strategies utilize alternative investment strategies or provide for alternative asset exposure as the means to seek to meet its investment objectives.

"**Offering Materials**" means the prospectus or other offering and disclosure documents relating to a Fund.

"**Program**" means the Merrill Edge Advisory Account Program.

"**Program Advisor**" means a Merrill Lynch representative with the title or designation of "Financial Solutions Advisor".

"**Program Report**" means a periodic communication sent to you that contains important terms, conditions and information about your Portfolios, Accounts and Strategies.

"**RASP**" means the Retirement Asset Savings Program.

"**Reasonable Investment Restrictions**" means one or more reasonable investment restrictions accepted by us that you would like to impose for any Account, such as identifying a Fund that should not be purchased.

"**Registered Fund**" means any Fund that is registered under the Investment Company Act of 1940, as amended, including mutual funds, closed-end funds, ETFs and money market funds.

"**Related Company**" means a company that is an Affiliate of BANA or in which BANA or an Affiliate of BANA or of BofA Corp. has a material ownership interest.

"**Related Fund**" means any Fund sponsored, managed, or advised by us, a Related Company or any of our Affiliates.

"**Retirement Account**" means an ERISA Plan, a U.S. tax-qualified plan of self-employed persons, a U.S. individual retirement account, or any other plan, arrangement or entity subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended.

"**Rule 12b-1 Fees**" means fees paid for the distribution of mutual funds pursuant to a plan made under Rule 12b-1 under the Investment Company Act of 1940, as amended.

"**SEC**" means the United States Securities and Exchange Commission.

"**Services**" means the services provided in the Program described in this Brochure.

"**Strategy**" means an investment strategy developed by the CIO to align to a particular Target Asset Allocation.

"**SII**" means sustainable or impact investing.

"**Target Asset Allocation**" means a recommended allocation of assets in a portfolio across one or more asset classes. The Target Asset Allocation categories used in this Program are:

- Conservative — primary focus is on portfolio stability and preservation of capital with the achievement of low or negative investment returns in exchange for reduced risk of loss of principal and liquidity.
- Moderately Conservative — primary focus is to achieve a modest level of portfolio appreciation with minimal principal loss and volatility.
- Moderate — primary emphasis is to strike a balance between portfolio stability and portfolio appreciation with the assumption of moderate level of risk and level of volatility and principal loss.
- Moderately Aggressive — primary emphasis is on achieving portfolio appreciation over time with the assumption of a fair amount of risk, and high level of volatility and risk of principal loss.
- Aggressive — primary emphasis is on achieving above-average portfolio appreciation over time with the assumption of substantial risk and a significant level of portfolio volatility.

"**Unaffiliated Trade Counterparty**" means a bank, broker or dealer other than an Affiliate of Merrill.

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