

# Client Relationship Summary

Effective June 30, 2020



Access supplemental materials by clicking on the links below or visiting [ml.com/relationships](http://ml.com/relationships) and [merrilledge.com](http://merrilledge.com).

Merrill Lynch, Pierce, Fenner & Smith Incorporated (referred to as Merrill or we) is registered with the Securities and Exchange Commission (SEC) as both a broker-dealer and an investment adviser, and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC), which is described at [www.sipc.org](http://www.sipc.org). Managed Account Advisors LLC (MAA), our subsidiary, is also an SEC-registered investment advisor. You can access free and simple tools to research firms and financial professionals at [investor.gov/CRS](http://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers and investing.

Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. This Form CRS provides a summary of the types of services we provide and how you pay. At Merrill, we offer both brokerage and investment advisory services. You choose how you want to work with us:

Work one-on-one with your dedicated Merrill Financial Advisor (Advisor) and team who will give you recommendations in a brokerage account relationship for a per trade charge and/or in an investment advisory account relationship for an annual asset-based fee.

Obtain the advice of Merrill Financial Solutions Advisors (FSAs) in the Merrill Advisory Center program (MAC) via a call center or at a bank or wealth management center to access certain brokerage investment solutions for a per trade charge and/or through a selection of specific investment portfolios managed by Merrill investment professionals for an annual asset-based fee.

Utilize the Merrill Edge self-directed (MESD) investing platform to handle your own brokerage trades for a per trade charge, or invest in self-guided portfolios managed by Merrill investment professionals for an annual asset-based fee.

The [Summary of Programs and Services](#) provides an overview of our primary programs.

## What investment services and advice can you provide me?

### BROKERAGE SERVICES

In a brokerage account (Account), you pay commissions and other sales fees on a per transaction basis. We may recommend investments for your Account, but you make the final decision to buy, sell or hold them.

From time to time, we may voluntarily review the holdings in your Account; however, for purposes of Regulation Best Interest, **we do not provide an ongoing monitoring service or monitor** your Account and Regulation Best Interest does not require us to do so. Our [Best Interest Disclosure Statement](#) provides material facts about a brokerage account, including material limitations on our offerings.

The Cash Management Account (CMA) is our primary brokerage Account for retail clients. Our brokerage services include:

- Providing you with investment information, making investment recommendations, and responding to your trade instructions and other requests.

- Access to investment solutions, research, financial tools, investment guidance and market education.
- Trade execution for purchases and sales of securities, and custody of the assets in your Account.
- Margin lending (borrowing against the securities in your Account).
- Access to various [account types](#).
- Cash management services (including direct deposit, check-writing, debit cards, electronic funds transfer) and access to our [Cash Sweep Program](#) where uninvested cash in your Account is “swept” into interest-yielding bank deposit accounts (affiliated with us) or, for certain account types, into one or more money market mutual funds.

The MAC program providing brokerage services through an FSA is only available to new clients for certain account types and for certain investment products. Brokerage services without the assistance of an Advisor or an FSA are available through MESD.

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

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

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

## What investment services and advice can you provide me? (continued)

### INVESTMENT ADVISORY SERVICES

Merrill offers a variety of investment advisory programs (IA Programs). When you enroll in one of our IA Programs, we act as your investment adviser and you receive the advisory services as stated in its client agreement and brochure for an asset based fee (and not on a per trade basis). You also receive trade execution and custody services and access to cash management services (including our Cash Sweep Program). Each IA Program is described in the relevant IA Program brochure, called an ADV brochure, available at our websites listed at the top of page 1 of this CRS.

In certain of our IA Programs, you can make investment decisions yourself, or, alternatively, you can grant us or a third party the authority to make investment decisions for your account on your behalf (discretion). Any discretionary investment and trading authority is triggered when you grant it to us and we keep this authority until you revoke it. In certain IA Programs, MAA provides discretionary services to you. MAA implements the investment strategies of selected third-party managers and of Merrill, invests assets, processes contributions and withdrawals, and provides other services to your IA Program account.

You pay the IA Program's specified annual fee (which, in most instances, is a fee calculated as a percentage of the assets in your account), payable on a monthly or quarterly basis. **We provide ongoing monitoring for an Account enrolled in an IA Program as described in its IA Program brochure.**

Our IA Programs summarized below have differing service and relationship approaches and requirements. Certain of the same managed strategies are available in several of our IA Programs. You should evaluate which of our IA Programs are right for you considering: your investment objectives; your preferences on working with a personal Advisor whom you select; accessing an FSA for advice or investing on a self-guided basis; the scope of the investment strategies; and solutions available in the various IA Programs and the fees.

**Merrill Lynch Investment Advisory Program (IAP).** Provides investment advice and guidance from your dedicated personal Advisor and access to a wide range of investment solutions. You may choose to delegate investment discretion to your Advisor or to an investment manager (us or a third party). You may also choose to retain investment discretion. The strategies include third-party and Merrill-managed strategies as well as individual funds, equities and fixed income securities.

**Strategic Portfolio Advisor Service (SPA).** Provides investment advice and access to certain investment strategies offered by a third-party investment manager under a separate agreement with that manager.

**Managed Account Service (MAS).** Allows for the selection by you, without a recommendation from us, of a third party investment manager not currently available in one of our other IA Programs.

**Merrill Guided Investing with Advisor (MGI with Advisor).** Offers access to a defined list of investment strategies managed by us provided through an online, guided interactive website with advice and guidance from a MAC-based FSA.

**Merrill Edge Advisory Account (MEAA).** Offers access to a defined list of investment strategies managed by us, with advice and guidance from a MAC-based FSA.

**Merrill Guided Investing (MGI).** Provides access to a set of investment strategies managed by us through an online, self-guided interactive website.

**Advice Access.** Provides a self-guided, web-based service to participant-directed defined contribution plans using Merrill for recordkeeping. Services include providing investor profile-based asset allocation recommendations and certain specific investments to consider.

**Institutional Investment Consulting (IIC).** Provides specified investment portfolio services to investment portfolios of IIC-eligible clients.

### BOTH INVESTMENT ADVISORY AND BROKERAGE SERVICES

We offer a wide variety of investment products but limit them based on factors such as account limitations, client eligibility and our product approval process. We generally do not offer investment products unless the product provider has entered into agreements with us and, in certain situations, agree to make payments to us for compensation, revenue sharing and sub-accounting services. These material limitations are further described in the [Best Interest Disclosure Statement](#).

Merrill utilizes its own broker-dealer capabilities as well as those of its Affiliates, including BofA Securities, Inc. (BofAS), to provide you with certain investments and services, including trade execution and access to leading research.

The investment options we make available for brokerage clients and IA Program-enrolled clients include products sponsored by third parties. There are a limited number of products in which we or our affiliates have an interest.

For a CMA Account (excluding an MESD account), there is a minimum funding of \$20,000 in cash and/or securities (with a \$2,000 minimum for a sub-account). Certain programs and products are subject to minimum investment amounts detailed in offering materials.

Not all account type options provide the services described in this Form CRS.

#### Questions you can ask us about our services:

- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service or both types of services? Why or why not?
- How will you choose investments to recommend?
- What is your relevant experience, including your licenses, education and other qualifications and what do they mean?

## What fees will I pay?

### BROKERAGE FEES

You will pay a fee for each transaction (commission, mark-up/markdown or sales charge). It can be a direct payment from you or a payment made to us by a product sponsor out of the value of your investment.

These per transaction fees vary from product to product. Additional fees, such as brokerage charges, custodian fees and account maintenance fees, will apply. For MESD Accounts, certain commissions and account maintenance fees are waived or do not apply.

An overview of brokerage commissions and other charges is included in the [Best Interest Disclosure Statement](#); [Explanation of Fees](#); [Schedule of Miscellaneous Account and Service Fees](#); and at [merrilledge.com/pricing](http://merrilledge.com/pricing). In addition, trade confirmations and prospectuses for certain investment products provide information about the fees and costs of those products.

**The more trades that you make in your brokerage account, the more we and your Advisor get paid, giving us a financial incentive to encourage transactions in your account.**

### INVESTMENT ADVISORY PROGRAM FEES

You pay us an IA Program fee (payable monthly or quarterly depending on the IA Program) based on the value of the assets in your account at the annualized fee rates listed below:

- **IAP** – Advisor-based advice on, and access to, a full list of investments and managed strategies for a customized rate (max 2.00%).
- **SPA** – Advisor-based advice on, and access to, dual contract managed strategies for a customized rate (max 1.50%).
- **MAS** – Access, on an exception basis, to third-party managed strategies not offered at Merrill for a customized rate (max 1.80%).
- **MGI with Advisor** and **MEAA** – FSA-based advice on, and access to, a list of managed strategies for 0.85%.
- **MGI** – Access to a limited list of managed strategies on a self-guided basis for 0.45%.
- **Advice Access** – No separate fee charged.
- **IIC** – Access to IIC services for negotiated rate (max 0.45%).

The IA Program fee includes payments for investment advisory services, trade execution and custody at Merrill. Advisors are paid compensation out of the IA Program fee and other charges. If you select a third-party managed strategy, a separate manager strategy fee will apply. Certain Merrill-managed strategies have a separate manager fee. There are no additional transaction fees except as stated in the relevant IA Program brochure.

**The more assets there are in your IA Program-enrolled account, the more you will pay in fees, giving us a financial incentive to encourage you to increase the assets in your account.**

#### Questions you can ask us about fees and conflicts:

- *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*
- *How might your conflicts of interest affect me and how will you address them?*

## ADDITIONAL FEE INFORMATION FOR BOTH

Certain transaction fees and charges may be discounted by us or your Advisor based on your circumstances, any waiver or discount requirements and the applicability of certain reward and other rebate programs.

In addition to the fees you pay to Merrill and third-party firms and managers, certain products have built-in fees and expenses described in their product offering material.

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time.** Please make sure you understand what fees and costs you're paying.

**What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

## STANDARD OF CONDUCT AND CONFLICTS OF INTEREST

**When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours.** At the same time, the way we and our affiliates make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means:

**Affiliate benefits.** One or more of our affiliates receive compensation and/or economic benefits in connection with services provided and certain investment products that we may recommend or make available to you.

**Third-party payments for services.** We receive compensation from certain product sponsors for sub-accounting and shareholder services we provide them. We also have agreements with product sponsors to pay us marketing support and other revenue sharing payments under certain circumstances. Certain product sponsors pay or reimburse us for various costs for client meetings, sales and marketing materials and educational meetings.

**Principal trading.** Some of your securities transactions will be executed with our affiliate BofAS that acts as a dealer selling a security to you or purchasing the security from you and receives dealer compensation. BofAS also acts as an underwriter of new issue securities offerings and receives underwriting compensation from the issuer for selling these securities to institutional and retail clients, including you.

For more information about our obligations and conflicts of interest, please refer to our [Best Interest Disclosure Statement](#) and/or our IA Program brochures at our websites listed at the top of page 1 of this CRS.

## How do your financial professionals make money?

### BROKERAGE

**Sales Commission-based Compensation.** Your Advisor is primarily compensated based on the commissions and other types of transaction fees and service charges related to transactions in your Account. The level of compensation is based on what we charge you for trade execution or what we receive from sponsors for the sale of their products.

The FSAs providing brokerage services in the MAC program are compensated through a salary and certain bonus payments for asset gathering.

**Referral payments.** Your Advisor or an FSA may share in fees charged for services provided to you by us and our affiliates.

### INVESTMENT ADVISORY

For IA Programs, your Advisor receives a portion of the IA Program fee that is based on the fee charged, subject to certain fee minimum requirements.

For the MGI with Advisor and MEAA programs, an FSA receives a salary and certain bonus payments for asset gathering in these programs and in the MGI program, and for completing required reviews.

### GENERAL

We determine Advisor and FSA compensation based on the experience of the person, the time and complexity required to meet a client's needs, the product sold and product sales commission, other factors such as client and asset acquisition and the revenue we earn. Certain products have higher transaction fees and service charges than other products. An Advisor will receive more compensation for selling certain products over other products.

The nature of compensation payments based on transaction execution or enrollment in certain types of investment strategies and IA Programs represents a conflict of interest.

From time to time, product sponsors, distributors and other product providers will provide us with certain permitted non-monetary gifts, like promotional items, meals and access to entertainment and other events as allowed and governed by regulatory requirements.

Advisors who join Merrill from other firms are eligible for bonus payments based on the assets that are transferred to us and revenues generated from these accounts at particular points in time.

## Do you or your financial professionals have legal or disciplinary history?

### BOTH PROGRAMS

Yes. Please visit [investor.gov](http://investor.gov) for a free and simple tool to search us and our financial professionals.

## Additional Information

### GENERAL

For the latest copy of this disclosure, go to [ml.com/CRS](http://ml.com/CRS). You may also call your Advisor or call us at 800.637.7455 and it will be provided free of charge.

Our [Best Interest Disclosure Statement](#) will be provided to you by your Advisor or by an FSA at specified times and is available at [ml.com/bestinterestdisclosure](http://ml.com/bestinterestdisclosure). Certain client agreement forms and other disclosures are available at the websites listed at the top of page 1 of this CRS and from your Advisor or an FSA.

The IA Program brochures for the various IA Programs available to you can be accessed at our websites listed on page 1 of this CRS and in any event will be provided to you upon enrollment in the particular IA Program you select.

We will provide you with additional transaction information through other documents such as trade confirmations, prospectuses, offering materials and account statements.

#### Questions you can ask us:

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*
- *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer?*
- *Who can I talk to if I have concerns about how this person is treating me?*

### RESOURCES

Access [ml.com](http://ml.com) or [merrilledge.com](http://merrilledge.com) for the following and other information:

[Summary of Programs and Services](#)

[Best Interest Disclosure Statement](#)

[IA Program Brochures](#)

[List of Account Types](#)

[Explanation of Fees](#)

[Merrill Schedule of Miscellaneous Account and Service Fees](#)

[Merrill Edge Schedule of Miscellaneous Account and Service Fees](#)

[Sweep Program Guide](#)

[Mutual Fund Investing at Merrill](#)

[Offshore Mutual Fund Investing at Merrill](#)

[Making the Most of your Retirement Assets](#)