

Understanding the DoL Fiduciary Rule



This guide provides some important information about the U.S. Department of Labor (DoL) Fiduciary Rule that applies to the investment advice you receive on your retirement accounts, such as an individual retirement account (IRA).

Since Merrill Lynch's founding more than 100 years ago, we have been committed to putting our clients' interests ahead of our own. **As a result, delivering a higher standard of care to help you pursue your retirement goals is part of our business process.**

Frequently asked questions

What is the DoL Fiduciary Rule?

The DoL Fiduciary Rule, which became effective on June 9, 2017, requires advisors to act as fiduciaries, when providing investment advice on retirement assets. Under the Rule, Merrill Lynch and your advisor are acting as a fiduciary to you when making an investment recommendation about your retirement account and its assets. This means that any recommendation your advisor makes should be prudent and in your best interest at the time it is made. Our fiduciary responsibility is in place even though certain provisions of the DoL Fiduciary Rule are not currently required to be implemented and may not be in place until a later date yet to be determined by regulators.

What is the current status of the Rule?

Since June 9th, Merrill Lynch has been implementing the DoL Fiduciary Rule and acting as a fiduciary when providing recommendations on retirement assets.

What does it mean for Merrill Lynch and my advisor to be a fiduciary?

Being a fiduciary means that your advisor **must** act prudently and in your best interest when making investment recommendations. Recommendations must be based on, among other things, your goals, investment objectives, risk tolerance, needs and circumstances. They should also be made without regard to compensation payable to the advisor, Merrill Lynch, or its affiliates, or the interests of anyone else.

What to expect:

Within the Merrill Lynch Investment Advisory Program (IAP) and our other fiduciary programs, you will receive fiduciary investment advisory services and advice and guidance. This means:

- Investment recommendations must be in your best interest—without regard to the compensation payable to the advisor, the firm or its affiliates, or other third-party interests
- You will be provided with information about material conflicts of interest and material information about your account and relationship
- The fees you are charged must be reasonable based on market standards and the services being provided
- You will be provided with investment advisory services outlined in the client agreement and related client brochure applicable to the particular investment advisory program



Merrill Lynch Wealth Management makes available products and services offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated, a registered broker-dealer and Member SIPC, and other subsidiaries of Bank of America Corporation ("BoFA Corp.").

Investment products:

Are Not FDIC Insured

Are Not Bank Guaranteed

May Lose Value

What is Merrill Lynch's approach to the DoL Fiduciary Rule?

The primary way you may receive fiduciary advice and guidance from your own dedicated advisor about your investments is through the Merrill Lynch Investment Advisory Program (IAP), where Merrill Lynch is a registered investment advisor and provides fiduciary services.

If you choose IAP, you will receive personalized advice from your advisor in a monitored investment advisory program, choice of discretion over day-to-day investment decisions, and access to a full range of third party and firm investment solutions and product capabilities. You will not pay transactional sales charges and commissions; instead, you will be charged an asset-based fee, agreed to between you and your advisor prior to enrollment. As your life evolves and your situation changes, you can work with your advisor to consider changes to how you manage your retirement accounts. For those accounts enrolled in IAP, you and your advisor will have such a discussion at least annually to better assess whether any changes should be made to your investment strategy.

We made enhancements to our IAP capabilities and solutions that will provide retirement clients enrolled in IAP with access to alternative investments, annuities and certificates of deposit.

In addition, starting in mid-November 2017, we will have available a limited purpose retirement account that allows clients to purchase money market funds and brokered certificates of deposit, as well as to hold cash and a limited number of common stock positions, in a commission based brokerage account, if you are not interested in enrolling into IAP.

What do I need to do?

It is important that you discuss the status of your individual retirement accounts with your advisor. Existing retirement accounts not enrolled in IAP by June 9, 2017, automatically became subject to limitations on new purchases and certain other transaction restrictions. If you have an existing brokerage retirement account, you should consider whether it continues to be appropriate for you or whether you should consider other choices on how to manage your retirement accounts at Merrill Lynch.

Are there other options to consider for my retirement assets?

We recognize that there may be instances where a fee-based retirement account may not be consistent with your objectives and preferences for your retirement assets. In that situation, you can review with your advisor other options that may work for you.

For certain assets, the limited purpose retirement account may be an option, particularly if your retirement goal is focused on cash management and your holdings consist substantially of cash, certificates of deposit and money market funds for distribution purposes.

For those retirement assets where you are comfortable acting without your advisor's investment advice or acting through online access, you may want to consider the Merrill Edge Select Portfolios or Merrill Edge Guided Investing investment advisory programs or our on-line, self-directed brokerage platform, Merrill Edge Online Investing & Trading.

You also have the flexibility to maintain more than one type of retirement account at Merrill Lynch, depending on your situation and your interest in particular investment capabilities. To help you understand the differences among various types of relationships, visit ml.com/programs-and-services to learn more about our programs and review our fact sheet, "[Understanding Your Relationship with Us](#)".

Below is a brief summary of your choices for retirement accounts:

Type of advice and service relationship	Full-service advice	Transactional advice	Limited transactional advice (hold/sell only)	Guided advice	Self directed
Programs and services	Dedicated Wealth Management Advisor and Team			Merrill Edge Guided Investing OR Merrill Edge Select® Portfolios (MESP)	Merrill Edge Online Investing & Trading
What it provides	<p>Merrill Lynch Investment Advisory Program</p> <ul style="list-style-type: none"> Your dedicated advisor provides fiduciary advice and services through an investment advisory program providing ongoing investment monitoring services Access to a wide range of investments and managed strategies Asset-based annual fee agreed between your advisor and you is charged and billed monthly 	<p>Limited Purpose Retirement Account (expected 11/13/17)</p> <ul style="list-style-type: none"> Your advisor's investment recommendation, at the time it is made, is subject to meeting the fiduciary standard of care Access to limited investments and trade execution capabilities — purchase/sell trades for "certain brokered certificates of deposit and money market funds", sell trades for holdings of existing positions of common stock Commissions and/or sales charges apply 	<p>Legacy Asset Account <i>for brokerage retirement assets (purchased prior to 6/9/17)</i></p> <ul style="list-style-type: none"> Your advisor's hold/sell recommendation, at the time it is made, must be in your best interest Allows for Hold/sell recommendations for asset positions in the account purchased prior to 6/9/17 No new purchases permitted in the account Commissions and/or sales charges apply 	<p>Merrill Edge Guided Investing OR Merrill Edge Select® Portfolios (MESP)</p> <ul style="list-style-type: none"> You obtain fiduciary advice through an investment advisory program offered via an online program (MEGI) or through Merrill Edge Financial Solutions Advisors™ (MESP) Access to a set of managed strategies A set asset-based annual fee for the MEGI and MESP programs is charged and billed monthly 	<p>Merrill Edge Online Investing & Trading</p> <ul style="list-style-type: none"> You may access online tools, research and information to make your own investment decisions and enter your trades No investment advice or recommendations are provided Commissions and/or sales charges apply

For more information

Contact your advisor for additional information about the impact of the DoL Fiduciary Rule on your Merrill Lynch retirement account or visit our website at ml.com/bestinterest.