

# Client Relationship Summary

Effective March 20, 2023



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

Merrill Lynch, Pierce, Fenner & Smith Incorporated (Merrill or we) is registered with the Securities and Exchange Commission (SEC) as both a broker-dealer and an investment adviser. We are a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation ([www.sipc.org](http://www.sipc.org)). Our subsidiary Managed Account Advisors LLC (MAA) is also an SEC-registered investment adviser.

You can access free and simple tools to research firms and financial professionals at [investor.gov/CRS](http://investor.gov/CRS). It provides educational materials about broker-dealers, investment advisers and investing. We offer both brokerage and investment advisory services. Brokerage and investment advisory services and fees differ and it is important for you to understand these differences.

You choose how you want to work with us:

### Work with your dedicated Advisor or your Merrill Financial Solutions Advisor

Based on who you work with, you can receive brokerage services for a per trade charge and/or enroll in the Merrill Lynch Investment Advisory Program or other available fiduciary programs to access a large number of managed investment strategies, other investment solutions and fiduciary services for an annual asset-based fee.

### Work with Financial Solutions Advisors (FSAs)

You can access certain brokerage services, if eligible, for a per trade charge and/or enroll in the Merrill Guided Investing with Advisor program to access, with FSA assistance and advice, selected managed investment strategies and related fiduciary services for an annual asset-based fee.

### Work on a Self-Directed Basis

You can utilize our self-directed investing brokerage platform (MESD) to enter and manage your own trades for a per trade charge and/or enroll in the Merrill Guided Investing program to access a limited number of managed investment strategies and related fiduciary services on a self-guided basis for an annual asset-based fee.

This Client Relationship Summary (CRS) and the [Summary of Programs and Services](#) provide an overview of our primary programs, the types of services we provide and how you pay.

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

### BROKERAGE SERVICES

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

From time to time, we may voluntarily review the holdings in your brokerage account; however, for purposes of Regulation Best Interest, we do not provide an ongoing monitoring service or monitor your brokerage account and Regulation Best Interest does not require us to do so.

Depending on the qualifications of your financial advisor and how you want to work with us, our **brokerage services** provide you:

- Investment recommendations and responses to your trade instructions and other requests.
- Access to investments, research, financial tools, investment guidance and market education.
- Trade execution for purchases and sales of securities and custody of account assets.
- Margin lending (borrowing against eligible account assets).
- Access to various [account types](#), including the CMA account.

- Access to our [Cash Sweep Program](#) where uninvested cash in your account is “swept” into bank deposit accounts affiliated with us or into money market mutual funds.

- Cash management services, including direct deposit, checkwriting, debit cards, and electronic funds transfer.

Our Advisors can recommend or make available to you a wide range of investment products. Merrill Financial Solutions Advisors (MFSAs) are very limited under our policies as to the investment products that they can make available to you.

We have FSAs who provide brokerage services to existing clients via a call center or in certain wealth management centers. Enrollments of new clients into an FSA-assisted brokerage account is restricted. You can obtain brokerage services on a self-directed basis through our MESD program, where you will not receive recommendations.

Our [Best Interest Disclosure Statement](#) provides material facts about a brokerage account, including **fees, material limitations** we place on our offerings and **conflicts of interest**.

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

### INVESTMENT ADVISORY SERVICES

Merrill offers a variety of investment advisory programs (IA Programs). Each IA Program is described in its IA Program brochure available at [ml.com/relationships](http://ml.com/relationships) and [merrilledge.com/relationships](http://merrilledge.com/relationships). The IA Program brochure provides material facts about the program, including **fiduciary services, program fees and conflicts of interest**.

When you enroll in one of our IA Programs, we act as your investment adviser in providing you the services described in that IA Program's client agreement and brochure. These services include advice and guidance, access to investment strategies and certain brokerage and custody services, among others. We provide **ongoing monitoring** for an account enrolled in an IA Program as described in its brochure. You pay an **asset-based fee** and not on a per trade basis.

MAA provides discretionary services in certain IA Programs. It invests assets by implementing investment strategies of Merrill and/or third-party managers selected for your IA Program account. It also processes contributions and withdrawals and provides other services.

In certain IA Programs, you can choose to make investment decisions yourself and/or to grant us or a manager discretion or authority to make investment and trading decisions for your account on your behalf. Discretion is triggered when you grant it and remains in effect until you revoke it.

The range of investment solutions that you can access depends on the IA Program you select and whether you are working with your dedicated Advisor or MFSA whom you have selected, working with one of our FSAs, or working on a self-guided basis. Our IA Programs for retail investors are:

**Merrill Lynch Investment Advisory Program (IAP)**. You receive investment advice and guidance from your Advisor or your MFSA, as the case may be. Depending on their qualifications, you can work with your Advisor or MFSA to choose among Merrill-managed and third-party managed investment strategies, including with a manager under a separate contract between you and the manager. If you work with an Advisor, you have access to invest in individual securities, including equities, debt and fund securities and you can choose to delegate investment and trading discretion for your Account or retain investment discretion.

**Strategic Portfolio Advisor Service (SPA)**. By enrolling in SPA, you have access to investment advice from your Advisor and the ability to access certain investment strategies offered by third-party managers under a separate contract between you and the SPA manager.

**Managed Account Service (MAS)**. MAS provides you with the ability to select under a separate contract certain investment strategies of third-party managers not offered in our other IA Programs. We do not provide advice or recommendations about this selection.

**Merrill Guided Investing with Advisor (MGI with Advisor)**. This IA Program offers you access to invest in a limited list of investment strategies managed by Merrill that you select through an online, interactive website with the advice and

guidance from FSAs.

**Merrill Edge Advisory Account (MEAA)**. MEAA is a legacy program that is very similar to MGI with Advisor, where you receive advice and guidance from FSAs but do not use the online interactive website.

**Merrill Guided Investing (MGI)**. Through MGI, you can access a set of Merrill-managed investment strategies through an online, self-guided interactive website on a self-guided basis.

**Institutional Investment Consulting (IIC)**. This program provides specified investment portfolio services to the investment portfolios of IIC-eligible clients.

All of these IA Programs have differing service and relationship approaches and requirements. Certain of the same managed investment strategies are available in several of our IA Programs.

You should evaluate which IA Program is right for you considering your investment profile; your preferences on working with a dedicated Advisor or dedicated MFSA whom you select, with FSAs, or on a self-guided basis; the scope of the capabilities of an Advisor, MFSA or FSA and the limitations, if any, on their services; the nature of the IA Program services; the types of IA Program services you want; the investment solutions available in each IA Program; and the IA Program fees.

### FOR BOTH BROKERAGE AND INVESTMENT ADVISORY SERVICES

When we make a recommendation to you about the type of account or program to select, we are acting as both a broker-dealer and an investment adviser.

We make available a wide variety of investment products and investment solutions based on factors such as account limitations, eligibility and our product approval process. Not all of our financial advisors can offer all available products, particularly MFSA's and FSAs.

The investment options available to brokerage and IA Program-enrolled accounts include products that are sponsored or managed by product providers unrelated to us. There are a limited number of products in which we or our affiliates have an interest. For certain products, we require that the product provider or sponsor enter into distribution agreements with us and, in certain cases, they must agree to make payments to us for revenue sharing, sub-accounting services and for compensation purposes. These material limitations are further described in the [Best Interest Disclosure Statement](#).

Merrill utilizes its own broker-dealer capabilities and those of Bank of America Securities, Inc. (BofAS) and other related entities to provide you with certain investment products and services, including trade execution, access to research and cash management services.

For a CMA Account, there is a minimum funding of \$20,000 in cash and/or securities (with a \$2,000 minimum for a subaccount). This does not apply to an account enrolled in MGI, MGI with Advisor, MEAA or to an MESD account. Certain investment products and IA Programs are subject to minimum investment amounts detailed in offering materials and IA Program brochures.

Not all account type options provide the services described in this 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?

### FEES IN A BROKERAGE ACCOUNT

You will pay a fee for each transaction in a brokerage account. The types of fees you pay are known as, for example, commissions, mark-ups, mark-downs or sales charges. These fees can be a direct payment from you. For certain investment products, the product sponsor or the manager will pay the fees and costs to us based on the value of your investment.

Brokerage transaction fees vary from product to product. The [Best Interest Disclosure Statement](#) includes an overview of brokerage fees and other account charges. Certain fee information is also found by accessing the materials listed on page 4 of this CRS. An overview of the MESD brokerage fees and charges is available at [merrilledge.com/pricing](http://merrilledge.com/pricing).

The trade confirmation you receive will provide the amount of the fees charged for the transaction. The offering materials available for certain types of 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/or your financial advisor get paid, giving us a financial incentive to encourage transactions in your account.**

### FEES IN AN IA PROGRAM-ENROLLED ACCOUNT

You pay us an IA Program fee that covers investment advisory services, trade execution and custody at Merrill. The IA Program fee is based on the value of the assets in your account at the annualized fee rates listed below:

**IAP:** If you work with an Advisor: a Merrill fee rate agreed to with your Advisor (max 1.75%) and an IAP strategy manager fee rate (if applicable). If you work with an MFSA: a Merrill fee rate (max 1.10%) and an IAP strategy manager fee rate (if applicable). The IAP strategy manager fee is paid to the manager.

**SPA:** A Merrill SPA rate agreed to with your Advisor (max 1.50%) and a SPA manager fee rate paid to the manager.

**MAS:** A MAS rate agreed to with your Advisor (max 1.80%) for Merrill services and a MAS manager fee rate paid to the manager.

**MGI with Advisor and MEAA:** A fee rate of 0.85%.

**MGI:** A fee rate of 0.45%.

**IIC:** A rate agreed with your Advisor (max 0.45%).

The Merrill fee component of the IA Program fee for IAP, SPA, MAS and IIC are **negotiable**. Depending on the IA Program, the fee is paid monthly or quarterly. The relevant IA Program

brochure available at [ml.com/relationships](http://ml.com/relationships) provides more detail about the fees and costs you may incur.

**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.**

### ADDITIONAL FEE INFORMATION

Advisors and MFSAs, but not FSAs, may discount or waive certain transaction fees and charges based on our discount or waiver requirements. You may qualify for a discount or waiver according to applicable reward and rebate programs.

Certain brokerage and IA Program services, as well as investment products, may only be provided by Advisors, MFSAs and FSAs who meet qualifications and training requirements.

Certain products have built-in fees and expenses (described in their offering materials) that the product manager or sponsor charges for services, portions of which may be paid to us.

**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 ways we and our affiliates make money create 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 of conflicts to help you understand what this means:

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

**Third-party payments for services.** We receive compensation from certain product sponsors for the sub-accounting and shareholder services we provide them. We also have agreements with certain product sponsors to pay us marketing support and other revenue sharing payments under certain circumstances. Product sponsors share in the costs of certain educational meetings for clients and our employees, including Advisors, MFSAs and FSAs.

**Principal trading.** Some of your securities transactions will be executed with our affiliate BofAS. BofAS makes money when executing your securities transactions as well as when acting as an underwriter for new issue offerings of securities offerings for corporate issuers.

For other conflict information, please review our [Best Interest Disclosure Statement](#) and/or our IA Program brochures at [ml.com/relationships](http://ml.com/relationships) and [merrilledge.com/relationships](http://merrilledge.com/relationships).

#### 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?

#### How do your financial professionals make money?

We determine Advisor, MFSA and FSA compensation and the eligibility rules for the offering of brokerage services, IA Program services and certain investment products. This determination is based on the experience of the person, the time and complexity required to meet a client's needs, the products sold and product sales commissions, and other factors such as client and asset acquisition and the revenue we earn.

Compensation payments present a conflict of interest. For brokerage services, the conflict arises based on the type and frequency of transactions in your Account. For IA Programs, the conflict arises based on the compensation we make due to your enrollment in a fee-based program and the fee that you agree to or are charged.

#### BROKERAGE COMPENSATION

Advisors are primarily compensated based on commissions and other types of transaction fees and service charges related to transactions in your brokerage Account. Advisor compensation is based on what we charge you for executing your trade and what we receive from product sponsors for the sale of their products, where applicable.

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 and this is a conflict of interest.

MFSAs and FSAs who provide brokerage services are compensated through a salary and performance-based incentive compensation.

#### INVESTMENT ADVISORY COMPENSATION (IA Programs)

Advisors who are qualified to offer IAP, SPA and MAS receive a portion of the particular IA Program fee as compensation based on the factors outlined in the first paragraph of this section. MFSAs (who offer IAP but only as to certain managed strategies) and FSAs (who offer MGI with Advisor or MEAA) receive compensation in the form of salary and incentive compensation that is not based on the applicable IA Program fee.

#### OTHER COMPENSATION INFORMATION

Advisors, MFSAs and FSAs may receive awards for asset gathering efforts and meeting performance goals during the

year and share in fees charged for services provided to you by us and companies related to us as referral payments. Advisors who join Merrill from other firms are eligible to receive additional payments based on the revenues generated from accounts they manage at particular points in time.

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

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

#### Additional Information

For the latest copy of this disclosure, go to [ml.com/CRS](http://ml.com/CRS). For a copy of the [Best Interest Disclosure Statement](#), go to [ml.com/bestinterestdisclosure](http://ml.com/bestinterestdisclosure). To receive a paper copy of either document free of charge, you may call your Advisor or your MFSA, contact an FSA or call us at 800.637.7455.

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

Certain client agreement forms and the materials listed below are available by clicking the blue highlighted words or by going to [ml.com/relationships](http://ml.com/relationships) and [merrilledge.com/relationships](http://merrilledge.com/relationships).

- [Summary of Programs and Services](#)
- [Best Interest Disclosure Statement](#)
- [IA Program Brochures](#)
- [Important Information about your Merrill Lynch Relationship](#)
- [List of Account Types](#)
- [Merrill Explanation of Fees](#)
- [Merrill Edge 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](#)
- [Offshore Mutual Fund Investing](#)

**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?