

Merrill Lynch Managed Account Service™

WRAP FEE PROGRAM BROCHURE

Merrill Lynch, Pierce, Fenner & Smith Incorporated
One Bryant Park
New York, NY 10036
800.637.7455
www.ml.com

This wrap fee program brochure provides information about the qualifications and business practices of Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill”) relating to the Merrill Lynch Managed Account Service™. If you have any questions about the contents of this brochure, please contact us at 800-MERRILL (800-637-7455). 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.

The investment advisory services described in this brochure are not insured or otherwise protected by the Federal Deposit Insurance Corporation (“FDIC”) or any other government agency; are not a deposit or other obligation of any bank or any affiliate of Merrill; are not endorsed or guaranteed by Bank of America, N.A., Merrill, any bank or any affiliate of Merrill; and involve investment risk, including possible loss of principal.

Additional information about Merrill also is available on the SEC’s website at www.adviserinfo.sec.gov.

October 18, 2024

Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
----------------------	-------------------------	----------------

MATERIAL CHANGES

On March 22, 2024, MLPF&S filed its last annual update for the Merrill Lynch Managed Account Service brochure (“Brochure”). This summary of material changes is designed to make clients aware of information that has changed since the Brochure’s last annual update or that may be important to them.

MATERIAL CHANGES AND ENHANCED DISCLOSURES MADE SINCE THE LAST ANNUAL UPDATE

- We updated Item 9 “Additional Information” at the heading “Disciplinary Information” as follows: “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 Merrill 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.”
- We have updated our disclosures throughout the Brochure to make other enhancements.

TABLE OF CONTENTS

MATERIAL CHANGES 1

TABLE OF CONTENTS 2

SERVICES, FEES AND COMPENSATION..... 3

 DESCRIPTION OF MAS.....3

 INVESTMENT MANAGERS4

 MARGIN, UNCOVERED OPTIONS AND SHORT SALES STRATEGIES.....4

 REASONABLE INVESTMENT RESTRICTIONS5

 FUNDING AND OPERATION OF MAS ACCOUNTS.....5

 TRADING IN MAS ACCOUNTS 10

 PROXY VOTING AND OTHER LEGAL MATTERS 12

 THE MAS FEE..... 12

 ABILITY TO OBTAIN THE MAS SERVICES SEPARATELY 16

 TAX MATTERS..... 17

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS.....17

 CLIENT ELIGIBILITY 17

 RETIREMENT ACCOUNTS 17

 ACCOUNT MINIMUMS 17

PORTFOLIO MANAGER SELECTION AND EVALUATION18

 SELECTION OF INVESTMENT MANAGERS 18

 INVESTMENT MANAGERS 18

 MERRILL AND CERTAIN AFFILIATES ACTING AS PORTFOLIO MANAGERS 19

 TAILORED INVESTMENT ADVICE 19

 WRAP FEE PROGRAMS 19

 PERFORMANCE BASED FEES 19

 METHODS OF ANALYSIS..... 19

 VOTING CLIENT SECURITIES..... 19

 SCOPE OF OBLIGATIONS RESPECTING UNCOVERED MANAGER STRATEGIES..... 19

 INVESTMENT RISK..... 20

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS.....22

CLIENT CONTACT WITH PORTFOLIO MANAGERS23

ADDITIONAL INFORMATION.....23

 DISCIPLINARY INFORMATION..... 23

 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS 23

 CODE OF ETHICS 24

 COMPENSATION, CONFLICTS OF INTEREST AND MATERIAL RELATIONSHIPS 25

 PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS 31

 COVERED ENTITIES UNDER THE VOLCKER RULE 34

 REVIEW OF ACCOUNTS..... 34

 CLIENT REFERRALS AND OTHER COMPENSATION..... 34

FINANCIAL INFORMATION35

GLOSSARY36

Merrill Lynch Managed Account Service Brochure

SERVICES, FEES AND COMPENSATION

Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S” or Merrill) offers investment advisory services under the Merrill Lynch Managed Account Service (“Program”) as discussed in this Brochure. MLPF&S is registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser and as a broker dealer. Merrill is an indirect wholly-owned subsidiary of Bank of America (“BofA Corp.”). BofA Corp., through Bank of America, N.A. (“BANA”), BofA Securities, Inc. (“BofAS”) and other Affiliates, provides integrated investment services and is a leading banking institution for consumers, corporations, and institutions.

DESCRIPTION OF MAS

This Brochure relates to the Merrill Lynch Managed Account Service™ (“MAS” or “Program”), an investment advisory service offered by Merrill. This Brochure also contains important information relating to clients’ responsibilities for their accounts, certain conflicts of interest involved with the services offered, and other matters. You should read this Brochure carefully when deciding whether the services are appropriate for you and ask your Financial Advisor any questions you may have.

In MAS, you select one or more investment managers (each, an “Investment Manager”). You then instruct us to accept orders from your Investment Manager for one or more of your MAS accounts (each, an “Account”). Importantly, we will not have discretionary authority over the assets in your Account. You have sole discretion in the selection of your Investment Managers and Strategies, and, except as described below, we have not and will not evaluate any Investment Manager or your Investment Manager’s investment style or Strategy for compatibility or suitability with your objectives. Further, we do not and will not conduct any due diligence on, or ongoing monitoring of, any Investment Managers.

To open an Account, you must enter into an investment advisory agreement with us (the “Client Agreement”) and designate your Investment Manager. You must also complete documentation for your underlying Merrill securities account that provides us with information regarding your overall circumstances, financial goals and risk profile, as well as your Account’s investment objective and other important information with respect to your Account (the “Underlying Account Documentation”). Because we may rely on the information furnished in the Underlying Account Documentation to advise you with respect to your Account, it is important that you understand and represent in the Client Agreement that the information furnished therein is accurate and complete in all material respects and that you will promptly notify your Financial Advisor of any material changes. If you select certain types of Investment Managers, you will be required to execute additional documentation, as described more fully in the section Investment Managers below.

We want you to know a few things up front about MAS, including:

- You enter into a Client Agreement with Merrill for the services you receive from us.
- As described in greater detail below, you agree to pay Merrill an annual asset-based fee (“MAS Fee”) for your Account that is negotiable depending upon a number of factors.
- You will need to enter into a separate agreement with your selected Investment Manager.
- Your Investment Manager will charge you a separate advisory fee for its services.
- Your Investment Manager is exclusively responsible for the management of your assets.

The scope of any investment advisory relationship we have with you is defined in the Client Agreement you sign for MAS. When you are enrolled in MAS, we act as your investment adviser only for your Account and not any other assets or accounts, unless otherwise separately agreed to by us in writing. Our MAS advisory relationship begins when we enter into the Client Agreement with you, which occurs on the later of the date of acceptance of the signed Client Agreement by us or the date you have contributed assets in the Account. Preliminary discussions or recommendations before we enter into the Client Agreement with you are not intended as investment advice and should not be relied on as such.

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 the Summary of Programs and Services, both of which are available at ml.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 the section “Ability to Obtain the MAS Services Separately.”

Merrill Lynch Managed Account Service Brochure

As described more fully below, we execute securities transactions upon the instructions of your Investment Manager. We also provide clearance and settlement of transactions, custody of Account assets, and additional services provided to all our clients with assets held by us as a custodian. These services also include:

- Automatic sweep of cash balances in your Account into, depending upon the type of Merrill securities account you establish, an affiliated bank deposit account, money market mutual fund (“money market fund”) or other option we may make available at the time, and if a sweep option is available with your underlying securities account.
- Margin facilities.
- Periodic performance reports (“Performance Reports”).
- The ability to receive periodic (as opposed to trade-by-trade) confirmation delivery.

INVESTMENT MANAGERS

We designed MAS to accommodate, for a limited period, your selection of an Investment Manager or Strategy of an Investment Manager that is not currently available in a Merrill investment advisory program to exercise discretion and provide investment advice in a Merrill securities account. You should understand you assume important responsibilities regarding your Investment Manager. You are solely responsible for negotiating your agreements with your Investment Managers, and neither Merrill nor our Financial Advisors will participate or advise you regarding the terms of such agreements, the advisability of entering into such agreements, or of continuing the retention of your Investment Manager. We strongly encourage you to contact your Investment Manager on a periodic basis to:

- Discuss your Account and its investment performance.
- Review your Investment Manager’s philosophy and style of management (so that you may determine the ongoing compatibility of your Investment Manager to your level of risk tolerance).
- Discuss any restrictions you may wish to impose or modify on your Account.
- Request information regarding conflicts of interest between you and your Investment Manager.
- Receive a current copy of your Investment Manager’s Form ADV filing and/or brochure for review.

We also suggest that you periodically check the registration status and other information regarding your Investment Manager, including disciplinary events, at the SEC’s website: www.adviserinfo.sec.gov.

You assume responsibility for monitoring your Investment Manager’s performance. We will not:

- Perform any ongoing due diligence review with respect to your Investment Manager.
- Make any representation concerning your Investment Manager’s abilities or qualifications as an investment adviser.
- Bear responsibility for the services rendered, for information provided, or for any recommendations made by your Investment Manager with respect to your Account.
- Endorse, recommend or otherwise suggest that your Investment Manager will make suitable investment decisions for you.
- Undertake to investigate or monitor the suitability of your Investment Manager’s investment decisions.

You also should understand that your Investment Manager may have certain conflicts of interest, which we and our affiliates or your Financial Advisor may not be aware of and are under no obligation to investigate. We encourage you to speak with your Investment Manager to discuss any questions that you may have about existing or potential conflicts of interest relating to your Investment Manager. We note that certain Investment Managers may be Related Managers and your ability to use Related Managers as part of MAS presents conflicts of interest for the Related Manager and us. We discuss these conflicts in the section entitled Portfolio Manager Selection and Evaluation Related Persons.

MARGIN, UNCOVERED OPTIONS AND SHORT SALES STRATEGIES

In certain circumstances, your Investment Manager may employ margin, write uncovered options and/or sell securities short (collectively, “Options and Margin Strategies”). As disclosed in the securities account documentation you execute allowing the use of margin in your Account, if your Investment Manager uses margin to purchase securities, the collateral for the margin debt will be the assets in your Account and other accounts at Merrill. You should read this documentation carefully. If the securities in a margin account decline in value, so does the value of the collateral supporting the margin loan, and, as a result we can take actions, such as issuing a margin call or selling securities or other assets maintained at Merrill in order to maintain the required equity in the Account. Overall, margin increases the risk of losses you would

Merrill Lynch Managed Account Service Brochure

sustain, as compared to an unleveraged Account, in declining markets that negatively affect the value of securities bought on margin. You assume full responsibility for your Investment Manager using margin to buy securities. If you determine that you no longer want your Investment Manager to use margin in your Account, you are responsible for notifying your Investment Manager of such determination. We are not responsible for any losses resulting from your Investment Manager's failure or delay in implementing such instructions. You may also discontinue use of margin in your Account according to the terms of the Margin Agreement. If you terminate the Margin Agreement, you are responsible for notifying your Investment Manager of such termination. We are not responsible for notifying your Investment Manager of the termination of the Margin Agreement or for any losses resulting from your failure to so notify your Investment Manager.

In certain circumstances, your Investment Manager may write uncovered options and sell stock short in your Account. If you permit your Investment Manager to write uncovered options, you will be exposed to potentially significant losses. For a call option, if the value of the underlying instrument increases above the exercise price, you can incur large and unlimited losses until the option expires or other contract remedies are pursued. For a put option, you bear the risk of loss if the value of the underlying instrument declines below the exercise price. If your Investment Manager writes combination or straddle options (where your Investment Manager writes both a put and a call option on the same underlying instrument), your potential risk of loss is unlimited. Further, if a secondary market in options were to become unavailable, your Investment Manager could not engage in a closing transaction and you would remain obligated until expiration or assignment. To engage in options transactions, you need to execute an option account agreement and, under the terms of that agreement, if you do not meet applicable margin payment requirements, we may liquidate stock, options or other account positions in your Account, with little or no prior notice to you.

Selling stock short raises similar risks as writing uncovered call options and you will assume similar risks of loss. The costs, risks and other features and conditions of margin and short sales are more fully described in the brokerage documentation authorizing the use of Options and Margin Strategies in your Account.

REASONABLE INVESTMENT RESTRICTIONS

You may impose reasonable investment restrictions on your Accounts, but you must communicate such restrictions directly to your Investment Manager. It is your responsibility to monitor such investment restrictions, review such investment restrictions with your Investment Manager, and advise the Investment Manager of any discrepancies or modifications to such restrictions. You should understand that your Investment Manager, not Merrill, will be responsible for complying with your restrictions, if any, and we and your Financial Advisor shall not be responsible for communicating, implementing, or monitoring your restrictions. For more information on investment restrictions, please see the section Risk and Tax Disclosure below. If you have selected to restrict investments in your Account, you accept any effect such restrictions may have on the investment performance and/or diversification of the Account.

FUNDING AND OPERATION OF MAS ACCOUNTS

Funding Accounts. A Client request to enroll in the Program is not considered a market order due to the requirements for enrollment which includes funding as well as the administrative processing time needed to implement enrollment instructions. We will initiate 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.

There is typically a short delay between Account inception and initial investment transactions. Until we initiate Program services with respect 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.

Withdrawals and Addition of Assets in MAS Accounts. You are responsible for notifying your Investment Manager of any deposits made into your Account and instructing your Investment Manager to liquidate positions in the event you wish to withdraw assets from your Account. We have no responsibility to invest cash deposits (other than cash sweeps described below) or liquidate positions for withdrawal, tax purposes or for other situations, nor do we have responsibility for any losses that may result from your failure to notify your Investment Manager. Unless otherwise agreed, your Account will be credited with any dividends, interest and principal paid on assets held in your Account.

You may fund your Account by depositing cash and/or securities acceptable to us. We may determine in our sole discretion that certain assets are ineligible for the Program or otherwise unacceptable. Failure to comply with a request to transfer such assets out of an Account enrolled in the Program will result in that Account's termination from the Program. Upon enrollment in the Program, you acknowledge and direct that any "good-til-cancelled", "good-til-date" or

Merrill Lynch Managed Account Service Brochure

“day limit” orders for equity securities that have not been executed be cancelled.” You should consider all relevant factors before you fund (either initially or otherwise) your Account with mutual fund shares or other securities, including that:

- Your Investment Manager generally cannot purchase additional shares of any mutual fund in your Account (as described below), though your Investment Manager may sell them from your Account.
- If you fund your Account with mutual fund shares, we will (except in certain limited circumstances) request that such shares be liquidated or transferred from your Account. If they are not liquidated or transferred within a limited period of time after being requested to do so, your Account will be removed from the Program. During the period that such contributed mutual fund shares are in your Account, we will consider such assets to be ineligible for the Program and, accordingly, they will not ultimately be subject to the MAS Fee. See “The MAS Fee — Calculation of Account Fees; Ineligible Assets” for more information. In all cases, we will not exchange any mutual fund holdings in your Account to other share classes. Accordingly, you should not assume that these contributed mutual fund shares are the mutual fund share class with the lowest possible expense ratio that the mutual fund provider makes available to the investing public.
- You may have paid a front-end sales charge or may be subject to contingent deferred sales charges (CDSC) or redemption fees.
- Such sales charges and fees, if applicable, will remain your responsibility and will be in addition to your MAS Fee.

Clients should understand that upon their account enrollment in MAS, the following services will not be available for that Account: Checks, Visa® debit cards, web bill pay, online client orders, and systematic withdrawal services such as Move Money®/funds transfer disbursements. Similarly, the enrollment of an account in AIPS will be suspended during your participation in MAS, except to the extent that you have authorized the automatic transfer of cash into the Account. Additional assets contributed through AIPS will be invested at your Investment Manager’s discretion.

Cash Balances and the Cash Sweep Program. At times, your Account will have an allocation to cash based on the Strategy selected, the asset allocation and investment determinations your Investment Manager (which may be an Investment Manager that is an Affiliate of Merrill (“Related Manager”)) has made. The allocation can result from your Investment Manager’s decision to keep a cash balance for operational and/ or investment purposes as part of the investment strategy and 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 MAS Fee without generating trade activity in the Account. In certain circumstances, including periods of volatile or uncertain market conditions, any such cash allocation may comprise all or a substantial portion of your Account assets invested in a particular Strategy based on, for example, concerns about the market or a decision to pursue a defensive investment strategy.

Unless your Investment Manager directs that your Account’s cash allocation be invested in a cash alternative investment like a money market fund, your Account’s cash allocation will be treated as a cash balance in your Account. Any cash balances will automatically be “swept” with your consent in accordance with the terms of your underlying Merrill brokerage account agreement (the “Cash Sweep Program”). You also have the option to select the “no sweep” option. The “no sweep” option is not available to Retirement Accounts. If you have elected the “no sweep” option for the cash balances held in your underlying Merrill securities account, the cash balances in your Account will remain in your Account and will not be swept. If you make this selection, you will not earn interest or dividends on cash balances held in your Account and you will be charged the MAS Fee on the cash held in your Account. The cash held in the Account will be covered by the Securities Investor Protection Corporation (“SIPC”) up to \$250,000 per client. 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.

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. Except as described below for certain qualified retirement plan account types, the only automatic cash sweep option currently available for Merrill account types eligible for enrollment in the Program is the Merrill Lynch Bank Deposit Program (“MLBD Program”) and, for retirement accounts, the Retirement Asset Savings Program (“RASP”). Non-U.S. citizens who are not residents of the United States have access to the MLBD Program or the International Bank Variable Rate Deposit Facility (“IBVRD Facility”). The MLBD Program, RASP and the IBVRD Facility provide for an automatic sweep of cash balances to bank deposits with BANA and other banks affiliated with us (“Bank Affiliates”). For certain qualified retirement plan account types and the trust management account type over which BANA provides various investment and trust-related services (“TMA”), the accountholder selects either: (1) the MLBD Program; (2) the Insured Savings Account Program (“ISA”), a bank

Merrill Lynch Managed Account Service Brochure

deposit program with our Bank Affiliates and unaffiliated banks (together, "ISA Participating Banks"); and (3) certain money market funds. Certain other Merrill account types for qualified retirement plans have the automatic cash sweep option of a money market fund only. The TMA has its own automatic sweep options which include bank deposits and certain money market funds.

Please refer to your account agreement and related disclosures for additional information regarding the automatic sweep options for your type of account. Not all account types are eligible to enroll in the Program. The Sweep Program Guide for Merrill Clients, which can be found on mymerrill.com, provides an overview of the automatic cash sweep options and how they work and a chart of automatic cash sweep options by Merrill account type. Please refer to your trust agreement and/or TMA Brochure for additional information regarding the automatic sweep options for your TMA Account. You can obtain a paper copy of these disclosures from your Financial Advisor. To view a list of the depository institutions currently participating in the ISA Program, visit www.ml.com/ISA.

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 that enroll in the Program and in other specified Merrill investment advisory programs receive the highest tier rate available under these programs. Clients with higher total eligible assets may receive a higher yield on their bank deposits associated with their other Merrill accounts under the MLBD Program and RASP provided their accounts are linked for valuation purposes. For rules regarding linking, please see your underlying brokerage account agreement. There is no interest rate tiering offered under the IBVRD Facility. 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. The current rates and yields are available at mymerrill.com or from your Financial Advisor.

Under the MLBD Program or RASP, an Account's cash balance is swept to accounts held at our Bank Affiliates. Under the ISA Program, an Account's cash balance is swept to accounts are held at ISA Participating Banks. Merrill as your agent establishes the bank deposit accounts on your behalf at the Bank Affiliate or the ISA Participating Bank as provided for in your underlying brokerage account agreements. Bank deposits in the MLBD Program, RASP and the ISA Program 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 opened on your behalf in the name of Merrill as your agent. Merrill has in place business requirements and practices that are reasonably designed to satisfy those conditions, which include, but are not limited to, proper account titling and recordkeeping. Cash balances held in the IBVRD Facility are not covered by FDIC or other deposit protection programs.

The sweep bank deposit accounts at our Bank Affiliates and/or at ISA Participating Banks 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 or any ISA Participating Bank 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 held at our Bank Affiliates or any ISA Participating Bank in any type of deposit account (whether a direct bank deposit account, a sweep deposit account for cash balances from your Account or any of your brokerage account, or any type of bank product (*i.e.*, a brokered CD of any such bank issuer), 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 the MLBD Program, the RASP or the ISA Program manage the deposits for FDIC insurance limit purposes. The MLBD Program, RASP and the ISA Program do not aggregate, or limit deposits 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 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 or any other Participating Bank. 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 and at any ISA Participating Bank in order to determine the extent of FDIC insurance.***

The agreements and disclosures that you received in connection with establishing your underlying Merrill brokerage account and the Sweep Program Guide for Merrill Clients include additional information about FDIC insurance. A paper copy can be obtained from your Advisor or MFSA. For additional information on FDIC insurance, visit fdic.gov.

Merrill Lynch Managed Account Service Brochure

Under account agreements covering certain retirement accounts and TMAs, you can select from among money market funds that we have made available as a sweep option. These money market funds have certain internal expenses and costs and also include a 0.40% asset-based administration fee per annum that is paid to Merrill. Merrill rebates the amount of the asset-based administration fee it receives to the clients of these Retirement Accounts with this sweep option. The amount of such rebate may be less than this 0.40% fee in certain rate environments where the fund manager waives or reduces the amount of such fee in order to avoid a negative return on the money market fund. You will bear your proportionate share of such money market fund's fees and expenses including, but not limited to, management fees 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. The MAS Fee does not cover or offset any fees and expenses that the money market fund incurs for transactions occurring within the fund itself. Please consult the prospectuses and offering material for the sweep money market funds for more detailed information on the amounts charged.

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 "Compensation, Conflicts of Interest and Material Relationships—Cash Sweep Program Compensation Received by Us and Our Affiliates" and the section "Participation or Interest in Client Transactions—Cash Balances and the Cash Sweep Program."

Cash held with a custodian other than MLPF&S is not covered by the Cash Sweep Program and will not be subject to its cash sweep arrangements. You are responsible for separately establishing appropriate sweep arrangements with any such custodian or Unrelated Custodian. We will include the cash positions in your Account are included in the value of your Program assets for the calculation of the MAS Fee. Assets held in Accounts with Custodian other than MLPF&S are not subject to Merrill's SIPC coverage.

Closing an Account and/or Terminating the Client Agreement. The Client Agreement may be terminated at the direction of you or us as described in that agreement. Upon termination, we will refund any prepaid MAS Fee on a pro rata basis as specified in the Client Agreement or as required by law. Termination of the MAS Client Agreement is separate from, and will have no automatic effect on, any agreement entered into between you and your selected Investment Manager(s), nor will it, in any case, affect or preclude the consummation of any transaction initiated prior to termination and the completion of other processes that may be required to terminate the Account. You also have the responsibility to notify your Investment Manager of your decision to terminate the Client Agreement or terminate your agreement with your Investment Manager. You further understand that neither Merrill nor our Financial Advisors are responsible for notifying your Investment Manager of your decision to terminate the MAS Account or your agreement with your Investment Manager. Neither Merrill nor your Financial Advisor shall be responsible for any losses incurred by you as a result of your failure to notify the Financial Advisor of the termination of your agreement with the Investment Manager.

The termination of your Financial Advisor's employment with Merrill will not automatically terminate the Client Agreement. In the event that your Financial Advisor is no longer able to service your Account, Merrill may reassign that Account to a different Financial Advisor, and you will be notified of any such changes.

Rules for Cash Accounts and Margin Transactions. As a broker-dealer, Merrill is responsible for compliance with federal margin rules. Except where margin has been specifically permitted for certain Strategies, Accounts in the Program are set up as cash Accounts. This account notation means that margin is not permitted and purchase 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. Free-riding 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 Investment Managers and reconstitute your investments; (2) when you engage in periodic rebalancing (which results in purchases and sales of securities over a short period of time); or (3) when you withdraw cash from your Account when there is a pending order to purchase a security.

Custodial Arrangements. Generally, Merrill will act as the custodian for the assets held in your Account. Assets will be maintained in one or more central asset accounts established at Merrill through the applicable securities account. Pursuant to the Client Agreement, you have agreed to execute the Underlying Account Documentation. In limited circumstances, upon your request and direction and with our consent, you may enter into arrangements for your assets in the Program to be maintained with (1) certain of our Affiliates for that Affiliate to act as a custodian (an "Affiliated Custodian") or (2) a custodian that is not affiliated with Merrill (an "Unrelated Custodian"). Unless otherwise agreed with such Custodian, you will pay a separate fee for these arrangements on the terms agreed upon by you with such custodian.

Merrill Lynch Managed Account Service Brochure

Our rights and authority respecting your assets enrolled in the Program, including as to transfers of assets held with the Affiliated Custodian or the Unrelated Custodian, are limited to those set forth in the Client Agreement, regardless of any separate agreements or arrangements you may have or may enter into with any such Custodian. We disclaim any broader rights that may be contained in your separate agreement with the Affiliated Custodian or Unrelated Custodian.

You will be responsible for all fees and expenses charged by an Affiliated Custodian or an Unrelated Custodian subject to applicable law and the custodial arrangements you agree to. These fees and expenses are not covered by the MAS Fee. Cash held with an Affiliated Custodian or an Unrelated Custodian will not be subject to the same sweep arrangements you have with Merrill acting as the custodian, but we will include such cash positions in the value of your Account for the calculation of the MAS Fee. You are responsible for separately establishing appropriate sweep arrangements with the Affiliated Custodian or Unrelated Custodian. Assets held in Accounts with an Affiliated Custodian and the Unrelated Custodian are not subject to Merrill's SIPC coverage. You will be responsible for ensuring that we (and all vendors used by us) are provided with daily access to the Affiliated Custodian or Unrelated Custodian's systems, transaction and account data and other information necessary to provide adequate account supervision, transaction, billing and other client reports and other necessary services to your Accounts. You understand that as a result of your use of a custodian other than Merrill, you may receive more limited information and reporting, including performance reporting, when we cannot obtain certain required information from the Affiliated Custodian or Unrelated Custodian.

Furthermore, any performance and other reports we provide for your Account will be based upon information provided by the Affiliated Custodian or Unrelated Custodian, which we will use for purposes of calculating the MAS Fee. We are not responsible for verifying the accuracy of such information or any losses or errors by an Affiliated Custodian or Unrelated Custodian with respect to your Account. You have agreed to promptly notify your Investment Manager with respect to any additions or withdrawals of assets to your Account maintained at the Affiliated Custodian or Unrelated Custodian and have agreed that we will not be responsible or liable for any losses due to your failure to provide such prompt notification.

Any assets held in your Account must be free from any lien, charge or other encumbrance (other than a lien, charge or other encumbrance in favor of us or our affiliates). Such assets must remain so, unless you notify us and we agree. You must notify us in writing prior to effecting loans secured by securities in your Account (including loans by our affiliates) as described below (commonly referred to as "collateralizing"). You understand that we will not provide advice on or oversee any of your collateral arrangements. In the event of any conflict between the terms of the Client Agreement and your collateral arrangements, the terms of the Client Agreement will prevail. You must also disclose to any lender the terms of the Client Agreement. No specific securities in your Account must be held as collateral to secure your loan. You should be aware of the adverse effects of collateralizing Accounts, including, but not limited to, the fact that the lending institution may require additional collateral or liquidation of securities held in your Account 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.

Loans and Collateral. Certain of your Account assets may be "pledged" or used as collateral, if we consent, in connection with loans obtained through certain unaffiliated or Affiliated loan programs, such as the securities based lending Loan Management Account® ("LMA") and Mortgage 100®/Parent Power® mortgage programs ("Lending Programs"). Under such Lending Programs, you may receive loan proceeds as a result of an arrangement whereby your Account is pledged to a lender, and in certain circumstances, the lender may be an Affiliate of us. If you have elected to participate in a Lending Program, the terms and conditions applicable to that Lending Program are governed by the applicable loan documents and other service agreements and are not included or described further in this Brochure. You should review carefully the terms, conditions and any related risk disclosures for such Lending Program and understand that such risks will be heightened in the event you hold a concentrated position in your pledged Account or if your pledged Account makes up all, or substantially all, of your overall net worth or investable assets. A collateral call could disrupt your selected Investment Manager's investment strategy for the Account. You, your Financial Advisor or your selected Investment Manager may not be provided with prior notice of a liquidation of the securities in your pledged Account. You, your Financial Advisor and your selected Investment Manager may not be entitled to choose the securities which are to be liquidated by the lender. The costs associated with such a lending arrangement under a Lending Program are not included in the MAS Fee and result in additional compensation to us, our Affiliate(s) and our Financial Advisors. You should consult with your own independent tax advisor in order to fully understand the tax implications associated with pledging your Account as loan collateral and the potential liquidation of pledged assets.

TRADING IN MAS ACCOUNTS

Your trades are generally placed by, and are the responsibility of, your chosen Investment Manager, including any Related Manager. By executing an agreement with the Investment Manager and by executing the MAS Agreement, you have granted the discretionary authority to determine (subject to your investment objectives and constraints) the securities to be bought or sold on your behalf, the amount of such securities, and the brokers or dealers to be used in such transactions.

The Investment Manager you select is obligated, absent your direction to the contrary, to effect transactions with or through those brokers or dealers that, in the Investment Manager's view, are capable of providing best price and execution of orders for your benefit. The Investment Manager has the authority to place orders for transactions with broker-dealers that it selects, including us or any of our Affiliates that act as a trade counterparty (an "Affiliated Trade Counterparty") and with broker dealers that are not Merrill or one of its Affiliates ("Unaffiliated Trade Counterparty"). The Investment Manager is able to transact with us or an Affiliated Trade Counterparty on a principal basis when permitted by law. They may place trades for purchases of securities in underwritten offerings with any of our Affiliates or with an Unaffiliated Trade Counterparty under which certain underwriting compensation is earned by BofAS or any of our Affiliates or by the Unaffiliated Trade Counterparty. When these transactions are effected on a principal basis, we will receive additional compensation. When an Investment Manager places a trade order with an Affiliated Trade Counterparty for the purchase or sale of fixed income or other securities where dealer spread charges are imposed, the dealer spread charges (that are part of the net price of the security) will be in addition to your MAS Fee. These dealer spread charges will not be listed in your trade confirmation or account statement; however, upon written request, we will undertake to obtain the amount of these charges for a given transaction in your Account.

If the Investment Manager determines to execute a purchase or sale of any security for your Account through Unaffiliated Trade Counterparty, any resulting execution charges (*i.e.*, commissions, markups, markdowns, dealer spread charges) will be separately charged to that Account. A transaction that the Investment Manager has placed through an Unaffiliated Trade Counterparty for a particular Investment Manager Strategy is commonly referred to as a "step out" or "step out trade". In selecting a firm to execute transactions and the markets on or in which the transactions will be executed, the Investment Manager is not obligated to solicit competitive bids for each transaction or seek the lowest available commission cost to you, so long as it reasonably believes that the firm it selects can be expected to obtain a "best execution" market price on the particular step out trade. Each Investment Manager is responsible for ensuring that it complies with its own best execution obligations.

Certain Investment Managers have historically executed all or a portion of their trades as "step outs." Frequently, these trades have been for fixed income or other securities for which trading-related charges and costs (*e.g.*, mark-up/downs, dealer spreads) are charged by the executing broker-dealer. These trading-related charges and costs are included in the net price of the security and are charges and costs that are in addition to your MAS Fee. You, rather than us or the Investment Manager, will bear the cost of these trading-related charges and costs. See information in the section "Other Fees and Expenses". In addition, these trading-related charges and costs will not be reflected as separate charges on your trade confirmations or account statements. We will undertake, at your written request, to obtain the amount of this remuneration for a given transaction in your Account.

Investment Manager Strategies that we have identified as trading through Unaffiliated Investment Firms, either on a regular or limited basis, are designated in the "MAS Investment Manager Strategy Step Out Information Document". This document is available at ml.com/SMA. You can also obtain a copy of this document upon request from your Financial Advisor. Information in this document is based solely on historical information that has been provided by the Investment Managers at their discretion, and we have not independently verified such information. We do not make any representation regarding the future trading practices of any Investment Manager for any Investment Manager Strategy. We recommend that before selecting an Investment Manager Strategy, you review the Manager's Form ADV, Part 2A brochure, which contains more detailed information about its brokerage practices.

The potential cost advantage associated with using us to execute trades for your Account is expected to alter the way in which each Investment Manager satisfies his or her duty to seek best execution. That said, Investment Managers may utilize execution services of broker-dealers other than us. BANA, a Related Manager, will select broker-dealers other than Merrill and the resulting transaction costs will be in addition to the MAS Fee. The MAS Fee does not cover transaction charges or other charges, including markups and markdowns, resulting from trades effected through or with a broker-dealer other than Merrill. See also "Other Fees and Expenses."

We and our affiliates will ordinarily act as agent in executing transactions on behalf of MAS clients. Principal transactions may also be effected for MAS clients under the appropriate circumstances as permitted by law. Principal transactions

Merrill Lynch Managed Account Service Brochure

may be subject to a dealer spread (*i.e.*, the difference between the bid and the offer price), which would result in additional compensation or other benefit to us. Transactions in securities customarily traded in dealer markets (such as fixed-income or over-the-counter securities) that are purchased from or sold to broker-dealers other than us may include markups or markdowns by these firms.

In accordance with the instructions of your Investment Manager and your authorization, our execution services (or those of an affiliated broker-dealer) will generally be used for the purchase and sale of securities for MAS, unless you designate another broker-dealer or applicable law is to the contrary. However, in buying or selling certain securities (particularly those that customarily trade in “dealer markets”), we may, for legal or other reasons, cause such transactions to be effected through an Unaffiliated Trade Counterparty. When we select an Unaffiliated Trade Counterparty to execute transactions, we will consider various factors, such as:

- The nature and quantity of the securities involved.
- The markets involved.
- The importance of speed, efficiency and confidentiality.
- The firm’s apparent knowledge of such markets and sources from or to whom particular securities might be purchased or sold.
- The reputation and perceived soundness of the broker-dealer.
- The ability and willingness of the firm to facilitate both purchases and sales of securities for client accounts by participating in such transactions for its own account.
- The firm’s clearance and settlement capabilities.
- Other factors relevant to the selection of a broker-dealer for the execution of your securities transactions.

The MAS Fee does not cover transaction charges or other charges, including markups and markdowns, resulting from trades effected through or with an Unaffiliated Trade Counterparty. In addition, the MAS Fee does not cover transaction and other charges incurred by Funds held in MAS Accounts. Purchases of securities from an underwriter or dealer in a distribution will be effected at the public offering price.

It should be understood that, for any and all transactions effected by or through us in an MAS Account at the direction of your Investment Manager, we are acting exclusively as a broker-dealer in relation to such transactions.

We and the MAS Investment Managers may, but are not required to, aggregate orders for the sale or purchase of securities for your Account with orders for the same security for our other clients, proprietary accounts, or the accounts of our employees and/or related persons, without your prior authorization. In such cases, 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.

For foreign ordinary security transactions executed outside the United States, we may use the services of a foreign Unaffiliated Trade Counterparty (or its affiliate). The foreign Unaffiliated Trade Counterparty (or its affiliate) will handle the order and will assess trading-related charges and costs (*i.e.*, commissions, mark-ups/downs, dealer spreads and other fees and charges) and, to the extent a foreign currency conversion transaction is required, it will be remunerated in the form of a dealer spread or a mark-up/down. These trading-related and currency conversion-related charges and costs are included in the net price of the security and are charges and costs that are in addition to your MAS Fee. In addition, these charges and costs will not be reflected as separate charges on your trade confirmations or account statements. We will undertake, at your written request, to obtain the amount of this remuneration for a given transaction in your Account.

We and our Affiliates may effect agency-cross transactions in which we or one of our Affiliates acts as agent for the parties on both sides of the transactions involving MAS or other clients in accordance with applicable law. When effecting such crossing transactions, we or our Affiliates generally receive compensation (the amount of which varies) from each party to such transactions, which is in addition to the fees described herein. While such compensation, in theory, creates a conflicting division of loyalties and responsibilities, transactions involving MAS are directed by your Investment Manager (which could be a Related Manager), and we will be acting solely as a broker-dealer in connection with such trades.

In the event an error occurs in the handling of client transactions, that is a result of any transaction effected by us or our Affiliates, we seek to identify and correct any errors as promptly as possible without disadvantaging the client. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the client. In general, in instances where we are responsible for effecting the transaction incorrectly, we may: (i) reimburse clients for any losses directly resulting from trade errors; (ii) credit to the client any profits directly resulting

Merrill Lynch Managed Account Service Brochure

from such trade errors that are corrected after the settlement of the transaction; or (iii) retain for ourselves any profits directly resulting from such trade errors that are corrected prior to the settlement of the transaction.

PROXY VOTING AND OTHER LEGAL MATTERS

Unless otherwise designated in the Client Agreement or other writing addressed to us (or another custodian you select), you direct your Investment Manager for your Account to vote the proxies and receive other issuer-related material relating to the securities held in your Account, and you represent in the Client Agreement that, under any applicable instruments or governing law, you are authorized to make such direction. To the extent that we are the custodian and voting instructions are not received, we will comply with the rules and policies of the SEC and applicable self-regulatory organizations, consistent with our role as a non-discretionary custodian.

In addition, we do not advise or act for you regarding any legal matters, including bankruptcies and class action, pertaining to the securities held in your Account, nor will we be responsible for making any tax credit or similar claim or any legal filing (including, but not limited to proofs of claim) on your behalf. Unless otherwise agreed, we will send you any documents we receive for client distribution with regard to such matters.

As a broker-dealer, we use a third-party service provider for certain proxy-related functions, including processing and forwarding proxy and other issuer-related materials, and receive amounts collected by the vendor for the costs of these services as permitted by applicable securities regulation.

THE MAS FEE

You will be charged the MAS Fee, payable quarterly in advance, on all assets in your Account (including assets held by an Affiliated Custodian or Unrelated Custodian and assets purchased on margin or other extensions of credit by us or our Affiliates). The MAS Fee covers the services we render, including custodial, transaction, execution, quarterly performance reporting, and fees for other account-related services provided by us or our affiliates with respect to your Account. The MAS Fee does not cover the services of Investment Managers.

The full amount of the MAS Fee payable under the Client Agreement will be charged in accordance with the terms of the Client Agreement, regardless of your use of any of the services offered under MAS or the amount of transactions your Investment Manager chooses to effect in your Account. Typically, the MAS Fee is charged on the second Tuesday of January, April, July and October.

The MAS Fee schedule is generally as follows:

Dollar Value of Assets in Each MAS Account	Annual Equity/ Balanced/ Convertible/ REIT Maximum Fee Schedule	Annual Fixed Income Maximum Fee Schedule
Up to \$1 million	1.80%	0.65%
\$1,000,000– 1,999,999	1.35%	0.65%
\$2,000,000 – 4,999,999	1.35%	0.50%
\$5,000,000 – 9,999,999	1.00%	0.45%
\$10 million or greater	Determined by Mutual Agreement	Determined by Mutual Agreement

For purposes of determining whether a reduced MAS Fee rate applies, we will consider the aggregate value and composition of assets in your Account(s). The MAS Fee rate applicable to an Account will not change during a calendar quarter, and any decrease in the MAS Fee rate will take effect at the beginning of the next calendar quarter.

You should note that any security purchased prior to enrolling in MAS and subsequently transferred into a MAS Account will be subject to the MAS Fee. This means that you may pay both an up-front commission (when the security was purchased prior to enrolling in MAS) as well as a MAS Fee (once enrolled in MAS) in connection with the purchase of the same security.

The MAS Fee is negotiable subject to the maximum rate that can be charged as outlined above. The fee may differ depending on a number of factors. Such factors include, but are not limited to, the:

Merrill Lynch Managed Account Service Brochure

- Amount of your assets.
- Number and size of your related accounts maintained at Merrill and our affiliates.
- Breadth of your relationship with Merrill.
- The MAS Strategy you selected.
- Competitive considerations.
- The Financial Advisor's own compensation considerations
- The range and extent of services provided or to be provided to you.
- The Financial Advisor assisting you.

Merrill compensates your Financial Advisor on an ongoing basis from, and based on, the MAS Fee rate that is agreed to for your Account. The Financial Advisor has a financial interest in the level of this fee rate Merrill has business and compensation policies that result in Financial Advisors receiving lower compensation if the agreed-upon MAS Fee rate is lower than certain established levels. Therefore, Financial Advisors also have a financial incentive not to reduce fees below those levels. You may accept or decline any proposed rate as part of the negotiation process. For more information on Financial Advisor compensation and conflicts of interest, see "Compensation, Conflicts of Interest and Material Relationships—Benefits to Us and Your Financial Advisor from Your Enrollment in the Program." The MAS Fee is subject to change. Upon request, and at no charge, we will provide additional detailed information regarding your MAS Fee. Please contact your Financial Advisor if you would like to receive this more detailed MAS Fee information.

Other pricing arrangements, typically involving multiple accounts, products or services, may also be available to certain clients. While clients entering into such arrangements may pay higher fees for any particular component being offered, such as fees higher than those shown above for MAS, the pricing arrangement as a whole will generally result either in the same or lower fees in aggregate for all the accounts, products or services provided or for the inclusion of additional products and services.

We may, from time to time, enter into specialized agreements to provide particular or unique services to certain clients, subject to negotiated fees. For more information regarding the above services or any other services we offer, please contact your Financial Advisor.

You should note that any security purchased prior to enrolling in MAS and subsequently transferred into a MAS Account will be subject to the MAS Fee. This means that you would pay both an up-front commission (when the security was purchased prior to enrolling in MAS) as well as a MAS (once enrolled in MAS) on the transferred security.

Calculation of Account Fees; Ineligible Assets. The MAS Fee is payable quarterly in advance based on the estimated value of your Account's assets as of the last business day of the previous calendar quarter, as determined by us or another custodian holding such assets. Merrill will use a variety of pricing sources in calculating the value of such assets in your Account, including Affiliates. All assets (including cash balances swept under the Cash Sweep Program to a deposit account or a sweep money market fund, depending on your account type, and any cash alternatives including money market funds selected by your Investment Manager) are included in the value of your Account for the calculation of the MAS Fee, unless we have deemed that any assets are ineligible for the Program, in which case, such assets would not ultimately be subject to the MAS Fee.

Depending on when such ineligible assets are contributed to, or liquidated or transferred from, the Account, such assets will be either: (i) excluded from the value of your Account for the calculation of the MAS Fee; or (ii) included in the Account's value for that calculation but you will receive a subsequent adjustment for any MAS Fees charged for holding those ineligible assets. See "Funding and Operation of MAS Accounts—Withdrawals and Addition of Assets in MAS Accounts" for a description of certain ineligible assets, in addition, any money market funds that are not held through any relevant cash sweep vehicle applicable to your Account or invested in by the Investment Manager as part of its strategy are considered ineligible assets, and, therefore, are not ultimately subject to the MAS Fee are considered ineligible assets, and, therefore, are not ultimately subject to the MAS Fee and will subject your Account to termination if not timely liquidated or transferred out of your Account. For the avoidance of doubt, any money market funds that are held through any cash sweep vehicle applicable to your Account, are eligible assets and, therefore, are subject to the MAS Fee. In certain limited circumstances, where an Investment Manager purchases or holds contributed mutual fund shares (whether money market funds or otherwise) in your Account as part of its Strategy, such shares would be subject to the MAS Fee. As noted in the section "The MAS Fee," the MAS Fee does not cover the services of Investment Managers, and while Merrill may not consider all Account assets for purposes of your MAS Fee, your Investment Manager may do so for its fee.

Merrill Lynch Managed Account Service Brochure

For the initial quarter, fees are calculated proportionally based upon the number of days left in such quarter from the date our advisory relationship begins, which occurs on the date of acceptance of the signed Client Agreement by us. The initial MAS Fee is based on the estimated value of the Account as of the close of business on the day preceding notification to the Investment Manager to begin managing the MAS Account. You may elect to have the MAS Fee paid by debit from the MAS Account, debit from an alternate Merrill account, or through the payment of an invoice.

No MAS Fee adjustment will be made for contributions or partial withdrawals, or for Account appreciation or depreciation, within a billing period.

The account value used for the calculation of fees may differ from that shown on your monthly securities account statement and performance report due to a variety of factors, including trade date or settlement date accounting, the treatment of accrued income, round lot valuation and other considerations. Further, it should be noted that the valuation of client securities reported in the performance report may also be subject to occasional re-pricing in reasonable and appropriate circumstances, but such re-pricing will not affect, or result in the adjustment of, previously calculated MAS Fees.

Cash Assets. The MAS Fee will be applied to any cash and eligible cash alternatives held within your Account. This includes (1) cash investments; (2) cash that is treated as a cash balance which is automatically swept into a cash sweep vehicle in accordance with the Cash Sweep Program; and (3) cash in your Account due to your having chosen the “no sweep option” as provided for in the Merrill securities account agreement. You will experience negative performance on the cash asset holdings in your Account if the fee charged on your cash and any cash alternatives is higher than the return you receive on any cash swept to a cash asset holdings. The MAS Fee is in addition to other compensation that we and our Affiliates earn on cash that is held for investment purposes and on cash held as part of a cash asset allocation and swept to a cash sweep vehicle in accordance with the Cash Sweep Program. For more information about the Cash Sweep Program, including compensation and benefits we and our Affiliates receive, see “Funding and Operation of MAS Accounts—Cash Balances and the Cash Sweep Program” and “Participation or Interest in Client Transactions—Cash Balances and the Cash Sweep Program” for more information.

Deduction of Account Fees. As set forth in the Client Agreement, you may authorize us to deduct the MAS Fee from your Account. We also may, for your convenience and if so agreed between you and your Investment Manager, deduct from your Account the advisory fee that you have agreed to pay your Investment Manager (“Investment Manager Fee”). We will remit your Investment Manager Fee to your Investment Manager. The Investment Manager Fee will be deducted in addition to, but after, the MAS Fee payable to Merrill. You may also directly remit your Investment Manager Fee to your Investment Manager.

To the extent permitted by law, all assets in your Account or other assets held by Merrill or any Affiliate for you will be subject to a lien for the discharge of your obligation to make timely payment to us, we may sell assets in your Account to satisfy this lien.

Other Fees and Expenses. We want you to know that the MAS Fee does not cover:

- Investment Management fees you pay to your selected Investment Manager (and set by such manager).
- Transaction charges (*i.e.*, commissions, sales charges, markups, markdowns) on trades effected through or with an Unaffiliated Investment Firm Trade Counterparty (including on fixed-income or over-the-counter transactions in which we act as agent).
- Dealer spread charges, markups or markdowns charged by Unaffiliated Trade Counterparties (including on fixed-income or over-the-counter transactions in which we act as agent).
- Dealer spread charges, markups and markdowns imposed by Affiliated Trade Counterparty for purchase and sale of fixed income securities and other securities where a dealer spread charge is imposed.
- Underwriting discounts, selling concessions or other transaction charges with respect to any new issue securities offering that we or our Affiliate may receive in connection with the offering. Transfer taxes.
- Margin interest and fees and charges charged by us or third parties, that are imposed for any securities that are deemed “in demand” and such securities are the subject of an option strategy, long/short strategy or other margin or short sell strategy; a portion of which may be used to pay your Financial Advisor.
- Fees charged by us or third parties that are not affiliates in connection with short sale transactions.
- Fees, expenses and charges of investment securities that are registered or unregistered investment companies or pooled vehicles held as investments in your Account, which includes a mutual fund, a money market fund, a closed-

Merrill Lynch Managed Account Service Brochure

end fund, an ETF, and real estate investment trusts (“Fund”) and charged by the Fund or by the manager or sponsor of the Fund.

- Exchange, alternative trading system fees, required SEC fees or similar fees (such as for ADRs) charged by third parties, including issuers.
- 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, a portion of which may be used to compensate your Financial Advisor.
- Any fees and expenses associated with your use of an Affiliated Custodian or an Unrelated Custodian.
- Commissions and charges for transactions in foreign ordinary securities and dealer spread charges, mark-ups or markdowns in connection with foreign currency conversions, including transactions in foreign ordinary shares or ADRs or foreign currency wire transfers either in or out of your Account.
- Any other charges imposed by law or otherwise agreed to regarding your Account.

The MAS Fee does not include certain fees and charges relating to transfer and termination fees, cash management services, including banking, check-writing services and money transfers, wire transfers and foreign exchange conversion fees and costs and certain corporate action fees. Certain of these costs are detailed on the [Merrill Schedule of Miscellaneous Account and Service Fees](#) and the [Explanation of Fees](#) document (as to foreign conversion costs), available at ml.com/relationships. 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 Financial Advisor.

As noted above, on trades effected through or with us, we will not charge a commission on agency transactions. On principal transactions effected with us, as permitted by law, we will not charge a markup or markdown from the prevailing market price on a per-transaction basis for its execution services. However, principal transactions may be subject to a dealer spread (*i.e.*, the difference between the bid and the offer price), which results in additional compensation or other benefit to us.

The MAS Fee does not cover charges (generally the dealer spread) imposed by Unaffiliated Trade Counterparties on step out trades as dealers, including where Merrill or its Affiliates act as agent in executing fixed income or over-the-counter transactions. Clients for which an Investment Manager places any fixed income, foreign or securities trades on an over-the-counter basis through Unaffiliated Investment Firms will not receive a discount from, or credit against, the MAS Fee for any markup or mark-down imposed by the executing Unaffiliated Trade Counterparty. Neither the MAS Fee nor the Investment Manager Fee covers these transaction execution costs. See “Trading in MAS Accounts” for more information on step out trades.

Please note that a security that has been purchased in a brokerage or other account at Merrill or its Affiliate or at another investment firm and is moved into MAS, including those purchased in an initial public offering or any primary or secondary new issue offering, will become subject to the MAS Fee immediately. For such purchases, you will have paid an up-front commission or transaction charge and upon transfer to MAS you will pay the MAS Fee once the security is held in an Account enrolled in MAS. This means we and your Financial Advisor receive compensation in the form of sales commissions as well as from the ongoing MAS Fee once the security is transferred to an Account. If your Investment Manager determines to execute a purchase or sale of any security for your Account through a broker or dealer other than us, any resulting execution charges will be separately charged to that Account.

MAS Accounts are generally not permitted to effect margin transactions. However, when so permitted, the margin interest you pay on debit balances is not included in the MAS Fee. Financial Advisors will receive additional compensation in such circumstances, unless waived, as well as, in limited cases, from rights or tender offers. If your Investment Manager uses Options and Margin Strategies, you will incur costs in addition to the MAS Fee. Although you will be paid interest on the short market value of any securities sold short in your Account, Merrill will also benefit from these short sale positions. The rate of interest paid to you will be determined by Merrill in our sole discretion and will reflect the retention of compensation by us. In addition, you will be charged fees, as reflected on your Account statements, for any securities that are deemed by us to be “in demand” either at the time your Investment Manager sells such securities short or at any time before the short position is “closed out” by your Investment Manager.

Investment Managers that sell securities short will use cash generated from short sales to purchase additional securities, (*i.e.*, leverage). If margin is used by your Investment Manager or if adverse market conditions trigger a margin call, you will pay interest pursuant to the Merrill Margin Lending Program Client Agreement (“Margin Agreement”).

Merrill Lynch Managed Account Service Brochure

If your Account assets are “pledged” or used as collateral, with our consent, in connection with loans obtained through a Lending Program, the costs associated with such a lending arrangement under a Lending Program are not included in the MAS Fee and results in additional compensation to us, our affiliate(s) and our Financial Advisors.

ABILITY TO OBTAIN THE MAS SERVICES SEPARATELY

You should be aware that the same or similar services and investments available through MAS, including Funds, may be obtained through other programs and/or services of Merrill and its Affiliates, on a separate or combined basis. These other Merrill programs may provide you with services and investments at rates that may be lower than the MAS Fee payable under your Client Agreement.

Merrill makes available two other investment advisory programs that provide a client with the ability to receive certain investment advisory services directly from a third-party Investment Manager under a separate agreement between the manager and the client as well as certain limited investment advisory services from Merrill as described in the applicable program brochures. By enrolling into MLIAP and selecting the (“PAS”) type, clients will receive access to discretionary management services and investment strategies of third- party and affiliated Investment Manager (PAS manager strategies) and related advisory and trading services pursuant to a separate contract with the Investment Manager. The client will pay Merrill an asset-based fee based on the value of the assets enrolled in the account and the Merrill fee rate, a rate negotiated by the client and the Advisor. The maximum Merrill fee rate that can be charged is 1.75%. The client and the PAS manager also negotiate the PAS manager fee rate as part of the client’s separate contract with the PAS manager. BANA, our Affiliate, makes available certain of its managed strategies through MLIAP as PAS manager strategies. These strategies are available for clients who want trust services from BANA and services from their Advisor through MLIAP for trust management accounts (“TMA”) and they also are available directly through BANA outside of the Program. The fee schedules applicable to MLIAP TMA clients and clients with accounts directly through BANA are different from that offered in MLIAP and can be lower than the Merrill fee rate negotiated with an Advisor in MLIAP as the maximum BANA rate that can be charged is lower than the maximum Merrill fee rate that can be charged in MLIAP.

By enrolling into the Merrill Lynch Strategic Portfolio Advisors program (“SPA”), clients will receive access to discretionary management services and investment strategies of third-party Investment Manager and related advisory and trading services pursuant to a separate contract with the SPA Investment Manager. The client will pay Merrill an asset-based fee based on the value of the assets enrolled in the SPA account and the Merrill SPA fee rate, a rate negotiated by the client and the Advisor. The maximum Merrill SPA rate that can be charged in SPA is 1.50% for equity and hybrid SPA managed strategies and 0.70% for SPA managed fixed income strategies and there are various fee levels depending on the assets invested in the program. The client and the SPA manager also negotiate the SPA manager fee rate as part of the client’s separate contract with the SPA manager. Certain third-party Investment Managers may participate in the SPA program and also provide PAS manager strategies in MLIAP.

There are important differences among this Program, MLIAP and SPA and having a BANA account relationship in terms of the involvement of your Financial Advisor in providing ongoing advice, the services, structure and administration, the depth of research conducted on the managers available in the programs and the applicable fees. The investment strategies available to you in the Program are not offered in MLIAP or SPA. You may request a copy of the ADV program brochures for these programs by contacting your Financial Advisor.

It is your responsibility to review these other account types and programs with your Financial Advisor to determine which may be most appropriate for you. In comparing the account types and programs and their relative costs, you should consider various factors, including, but not limited to:

- Your preference for an advisory or brokerage relationship.
- Your preference for a discretionary or a non-discretionary relationship.
- Your preference for a fee-based or commission-based relationship.
- The types of investment vehicles and solutions that are available in each program or service and their costs.
- How much trading activity the Investment Manager expects to take place in your Account.
- How much the Investment Manager is expected to allocate to cash.
- The frequency and type of client profiling reports, performance reporting and account reviews that are available in each program or service.

Merrill Lynch Managed Account Service Brochure

- The scope of ancillary services that may be available to you in a brokerage account, but which are not available in an advisory program.

Further, the MAS Fee may be higher or lower than the fees charged by other firms offering comparable services.

TAX MATTERS

You acknowledge that your Investment Manager may sell all or a portion of the securities in your Account, either initially or during the course of your participation in MAS. You are responsible for all tax liabilities arising from these transactions. We and your Financial Advisor will not offer tax advice to you on these or any other issues. You also are responsible for all tax liabilities and tax-return filing obligations arising from all transactions in your Account. We are not responsible for attempting to obtain any tax credit or similar item or preparing and filing any legal document on your behalf. You should review all disclosures you receive associated with the investments held in and transactions occurring within your Account with a qualified tax professional. We do not, and will not, offer tax advice to you and you need to rely on such qualified tax professional in all instances for tax advice.

If you are an investor with special circumstances such as a non-U.S. resident or an entity sensitive to unrelated business taxable income, you should also discuss with your qualified tax professional the tax consequences of each investment to be held in your Account as there may be additional tax withholding, reporting and payment obligations which may result from such investments. Special tax rules may apply to the investments themselves which may result in unique tax consequences to you. In some circumstances, certain tax elections may be able to be made that will affect the tax consequences arising from such an investment. Certain investments (such as master limited partnerships) may result in tax consequences to investors that are subject to tax on unrelated business taxable income and you will be responsible for the reporting and filing of tax returns and the payment of the associated income tax resulting from such investments.

You may elect Direct Indexing/Tax Efficient Management Manager Strategies (“Direct Indexing/TEM Manager Strategies”) for your Account. These are third-party Strategies where an objective of the portfolio management investment approach undertaken by the Investment Manager is to opportunistically sell securities that have a loss and invest proceeds in strategy-aligned replacement securities or other tax loss harvesting approaches. These Strategies apply on a per-Account basis only; however, the wash sale rules apply to transactions in all accounts held by you, your spouse and certain entities controlled by you and your spouse. It is your responsibility (and not Merrill’s) to monitor transactions across all of your accounts (including any Account enrolled in a Direct Indexing/TEM Manager Strategy) to identify any wash sales or straddles and for all tax liabilities attributable to the disallowance of any losses pursuant to the wash sale rules or of any deferral under the straddle rules. In addition, if you are enrolled in a Direct Indexing/TEM Manager Strategy, you should consider receiving trade-by-trade confirmations (rather than receiving trade confirmations on a periodic basis) to assist yourself in monitoring transactions in your Account in light of these potential tax consequences. Despite this, it is possible that you may still be subject to the wash sale or straddle rules in any given tax year.

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

CLIENT ELIGIBILITY

Investors eligible to participate in MAS include, but are not limited to, individuals, trust and estates (to the extent allowed by state law), charitable organizations, banks, corporations, or such other participants as we determine in our discretion and in accordance with applicable law.

RETIREMENT ACCOUNTS

MAS is generally closed to new enrollments by Retirement Accounts. If you are an existing Retirement Account client, you should understand that our services described herein are offered in order to assist plan fiduciaries as they carry out their investment-related responsibilities and are not intended to be a basis for decisions related to your Account. Moreover, these services should not substitute for or diminish the careful deliberation and determination of your plan fiduciaries, after appropriate consultation with other professional advisers and the review of relevant plan documentation.

ACCOUNT MINIMUMS

The minimum account size for a MAS Account generally is \$100,000, but we, in our discretion, may accept accounts less than \$100,000. Certain Investment Manager Strategies require minimum investment amounts as determined by the Investment Manager. You may fund your Account with cash and/or securities acceptable to us. When funding an Account with securities (or otherwise transferring securities into an Account), however, you should bear in mind that your Investment Manager may decide to sell all or a substantial portion of such securities and that you will be responsible for

any tax or other liabilities (such as CDSC on certain classes of mutual fund shares) resulting from such transactions.

PORTFOLIO MANAGER SELECTION AND EVALUATION

SELECTION OF INVESTMENT MANAGERS

Selection of your Investment Managers is at your sole discretion, and, except as described below, we have not and will not evaluate any Investment Manager or your Investment Manager's investment style or Strategy for compatibility or suitability with your objectives. Generally, we do not authorize Investment Managers to make any statements pertaining to us, or any Investment Manager's participation in any Merrill service or program, including MAS. You represent and warrant that you have independently selected each Investment Manager and investment style and believe that each Investment Manager and investment style is appropriate for your Accounts. You further represent and warrant that you have not asked for, received or relied upon our advice in making each selection.

We make no representations regarding the qualifications of your Investment Manager. We do not endorse, recommend or otherwise suggest that your Investment Manager will make suitable investment decisions for you. We do not undertake to investigate or monitor the suitability of your Investment Manager's investment decisions. To the extent that you become aware of investment decisions by your Investment Manager that are unsuitable for your Account, you should contact your Financial Advisor or your Investment Manager.

We do not specifically identify or select Investment Managers to participate in MAS, and we do not maintain a roster of approved MAS Investment Managers from which you may select. However, we may have, or may have in the past had, certain relationships or been affiliated with an Investment Manager, as described more fully below.

We do not calculate the performance of Investment Managers, and neither Merrill nor any third party reviews Investment Manager performance information to verify its accuracy or its compliance with presentation standards. Performance information may not be calculated on a uniform or consistent basis.

You are responsible for the continued review of your Accounts and the performance of your Investment Manager. We are not responsible for the investment decisions your Investment Manager makes. You are responsible for reviewing your Account performance in light of your Account's asset allocation and investment performance, and contacting your Investment Manager if they have questions or concerns. We do not assume responsibility for replacing or recommending the replacement of Investment Managers.

INVESTMENT MANAGERS

Most of your Investment Managers from which we receive investment directions in MAS are Unrelated Managers. However, certain Investment Managers may be, or have been in the past, Related Managers. The status as a Related Manager creates additional conflicts of interest. Unless otherwise noted in this Brochure, the services provided by us and your Financial Advisor to you will not be affected by the type of Investment Manager you have retained, and in MAS, we do not and will not conduct any due diligence on, or ongoing monitoring of, any Investment Managers.

In certain instances, your Investment Manager may have referred clients to your Financial Advisor, or Merrill programs or services, including MAS. In these instances, a conflict of interest exists between you and your Financial Advisor, Merrill and/or your Investment Manager. Please ask your Financial Advisor and/or Investment Manager for more information regarding Investment Manager referrals.

Referral-Arrangement Managers. In very limited instances, we have entered into contractual arrangements through which we are compensated for referring you to Referral-Arrangement Managers. If you have been introduced to such a Referral-Arrangement Manager, we will provide a written statement describing the terms of the arrangement and a copy of the Referral-Arrangement Manager's brochure. You also will be required to sign an acknowledgement of your receipt of these materials. Because we are compensated for referring clients to Referral-Arrangement Managers, this presents a conflict of interest that you should be aware of and consider before choosing a Referral-Arrangement Manager for MAS.

Legacy Managers. While we may have previously conducted due diligence or ongoing monitoring of Legacy Managers in the Previous Program, we are not responsible for conducting any due diligence or monitoring in MAS beyond that described in this Brochure and the Client Agreement. You should not consider any prior statements that we or your Financial Advisor may have made concerning a Legacy Manager, including any written materials or Legacy Manager information distributed by us, when deciding whether or not to retain the services of a Legacy Manager.

Merrill Lynch Managed Account Service Brochure

Related Managers. The MAS program may allow you to use the services of Investment Managers that are Related Managers. The selection of a Related Manager results in increased compensation to us or an Affiliate. Again, Merrill will not recommend and does not provide any due diligence on any Investment Manager, including Related Managers, in MAS.

Merrill will receive revenue and other economic benefits to the extent that assets in the Account are purchased on margin since the MAS Fee is ultimately applied to all eligible assets in the Account, including those that have been bought on margin, and also as a result of the imposition of margin interest. Related Managers therefore have an incentive to use margin to purchase additional Account assets instead of selling an existing Account asset to buy new Account assets. The use of margin to buy additional Account assets keeps the total value of the Account, and the MAS Fee imposed, more than it would otherwise be without the use of margin.

Our Affiliates and related 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 those programs will be different from, or even in conflict with, the advice and recommendations provided in connection with the Program or to other Affiliates. 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. For example, we may recommend a specific Investment Manager for inclusion in a BANA program, but not a Merrill program.

MERRILL AND CERTAIN AFFILIATES ACTING AS PORTFOLIO MANAGERS

Investment Managers, which may include Related Managers, are exclusively responsible for the management of client assets as described in the section Services, Fees and Compensation.

TAILORED INVESTMENT ADVICE

As described in the section Services, Fees and Compensation, you will enter into a separate agreement with your selected Investment Manager, which may be a Related Manager, for the management of your assets. You may impose reasonable investment restrictions on your Account but you must communicate such restrictions to your Investment Manager.

WRAP FEE PROGRAMS

Merrill acts as the wrap fee program sponsor and also acts as the portfolio manager in other wrap fee programs sponsored by us. We receive the Merrill Fee as described in this Brochure. Your Investment Manager, which may be a Related Manager, charges a separate management fee for services. We also act as a portfolio manager in certain investment advisory programs which are not wrap fee programs but are otherwise similar to the program described in this Brochure.

PERFORMANCE BASED FEES

The Program does not charge performance-based fees.

METHODS OF ANALYSIS

As noted in the section Portfolio Manager Selection and Evaluation, selection of your Investment Manager is at your sole discretion, and, except as described in such section, we have not and will not evaluate any Investment Manager or your Investment Manager's investment style or strategy. You should understand that all investments involve risk (the amount of which may vary significantly), that investment performance can never be predicted or guaranteed and that the value of your Account will fluctuate due to market conditions and other factors.

VOTING CLIENT SECURITIES

As described in the section "Proxy Voting and Other Legal Matters," unless otherwise designated in the Client Agreement or other writing addressed to us or another custodian you select, you direct your Investment Manager for each MAS Account to vote the proxies relating to the securities held in the MAS Account.

SCOPE OF OBLIGATIONS RESPECTING UNCOVERED MANAGER STRATEGIES

We make no representation concerning Uncovered Investment Manager Strategies that are not on the SPA Coverage List or available in MLIAP. We do not provide due diligence with respect to Strategies of Uncovered Investment Managers. Similarly, we make no independent determination that any such Investment Manager and its management philosophy are compatible with your investment objectives. As a result, we are not responsible for services rendered, for information provided, or for any recommendations made by an Investment Manager you select. You should understand that you assume responsibility for monitoring the Uncovered Investment Manager's performance.

Merrill Lynch Managed Account Service Brochure

We will not:

- Perform any ongoing due diligence review with respect to the Uncovered Investment Manager.
- Make any representation concerning the Uncovered Investment Manager's abilities or qualifications as an investment adviser.
- Bear responsibility for the services rendered, for information provided, or for any recommendations made by the Uncovered Investment Manager with respect to the Account.
- Endorse, recommend, or otherwise suggest that the Uncovered Investment Manager will make suitable investment decisions for you.
- Undertake to investigate or monitor the suitability of the Uncovered Investment Manager's investment decisions.
- You also should understand that the Uncovered Investment Manager may have certain conflicts of interest, which we, our affiliates, and your Financial Advisor may not be aware of and are under no obligation to investigate.

We strongly encourage you to contact your Uncovered Investment Manager on a periodic basis to:

- Discuss your Account and its investment performance.
- Review the Uncovered Investment Manager's philosophy and style of management (so that you may determine the ongoing compatibility of your Investment Manager to your level of risk tolerance).
- Discuss any restrictions you may wish to impose or modify on your Account.
- Request information regarding conflicts of interest between you and the Uncovered Investment Manager.
- Receive a current copy of the Uncovered Investment Manager's Form ADV filing and/or brochure for review.

We also suggest that you periodically check the registration status and other information regarding your Uncovered Investment Manager, including disciplinary events, at the SEC's website: www.adviserinfo.sec.gov.

INVESTMENT RISK

General. All investments involve risk, the degree of which varies significantly. Investment performance can never be predicted or guaranteed, and the value 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, geopolitical, 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, 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 should review the offering materials and other disclosure available for each relevant investment security or transaction to get an appreciation of its associated risks and fees.

You are assuming the risks involved with investing in securities and other investment products, and you could lose all or a portion of the amount you hold in the Program. You should understand:

- Investment performance can never be predicted or guaranteed.
- The values of your Accounts will fluctuate due to market conditions, manager performance and other factors.
- There is no assurance that the performance results of any benchmark or index used in connection with MAS, including those shown on the performance report or our other reports, can be attained.
- All or a portion of your securities may be sold either at the initiation of or during the management of your Accounts. You are responsible for all the tax liabilities arising from these transactions and are encouraged to seek the advice of qualified tax professionals.
- The purchase and sale of United States securities may have additional adverse tax consequences and risks if you are not a resident of the United States.

By enrolling in MAS, you need to be aware of, and be willing to assume, the risks involved with investing in securities and other investment products, and you could lose all or a portion of the amount invested. You also need to understand that all investments involve risk (the amount of which varies significantly), that investment performance cannot be predicted or guaranteed, and that the value of your Account holdings will fluctuate due to market conditions and other factors.

Merrill Lynch Managed Account Service Brochure

You should read the prospectus or disclosure document, as applicable, for any security or investment product in which your Investment Manager invests, which contains important information about risk factors relating to the security or investment product.

Any benchmarks referred to in connection with your Account and included in any Performance Report are not assurances or guarantees of the performance of any investments in or of your Account. Market movements, the investment decisions of your Investment Manager, and other factors may result in significant differences between the performance of Account assets and any investment objectives made known to us. You acknowledge that the investments made and the actions taken for your Account will be subject to various market, liquidity, currency, economic and political risks, and may decline in value. You further acknowledge that we do not assume responsibility for or endorse the investment decisions made by your Investment Manager, which may involve additional and significant risks.

Risks of the Strategy. By deciding to allow your Investment Manager to manage your assets in the Account in accordance with the selected MAS Strategy, you assume the risks associated with the Investment Manager's investment decisions. Accordingly, if your Investment Manager assembles a concentrated position in the Account, you assume the risk of a substantial loss in value to the entire Account if there is a decline in the concentrated position or industry sector. Similarly, if your Investment Manager effects trades in securities that we do not follow or for which we have a contrary recommendation, you assume the risk associated with this activity. Moreover, if your Investment Manager chooses to make use of margin to effect transactions in an Account, you assume the risk associated with margin transactions, including that losses in the value of an asset purchased on margin are magnified as a result of the use of borrowed money. Generally, we believe that these investment styles add risk to a portfolio that you should not assume unless you are prepared to experience significant losses in the value of your Account. Ultimately, as between you and us, you bear the risk of all of these decisions.

If your Investment Manager uses a Margin Strategy, you assume additional risk, including:

- You can lose more funds than amounts deposited in margin accounts.
- We can force the sale of securities or other assets in your Merrill account(s).
- We can sell your securities and other assets without contacting you.
- You are not entitled to choose which securities or other assets in the Account are to be liquidated or sold to meet margin calls.
- We can increase our "house" maintenance margin requirements at any time without advance written notice.
- You are not entitled to an extension of time on a margin call.
- If a margin call cannot be fully satisfied from assets in your Account or other assets at Merrill, you will remain liable for the outstanding debt.

If your Investment Manager writes uncovered options in your selected Strategy, you assume additional risk, including:

- You will be exposed to potentially significant losses.
- If your Investment Manager writes an uncovered call option, if the value of the underlying instrument increases above the exercise price, you can incur large and unlimited losses until the option expires or other option contract remedies.
- If your Investment Manager writes an uncovered put option, you bear the risk of loss if the value of the underlying instrument declines below the exercise price.
- If your Investment Manager writes combination or straddle options (where a put and a call option are written on the same underlying instrument), the potential risk of loss is unlimited.
- If a secondary market in options were to become unavailable, your Investment Manager could not engage in a closing transaction and you would remain obligated until expiration or assignment.
- In accordance with the option account agreement, if you do not meet applicable margin payment requirements, we may liquidate stock, options or other positions in the Account, with little or no prior notice to you.

Please note that short selling stock has similar risks as those described above regarding writing uncovered call options and you will assume similar risks of loss.

All investments involve risk, the degree of which varies significantly. Investment performance can never be predicted or guaranteed, and the value 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, geopolitical, 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 should review the offering materials and other disclosure available for each relevant investment security or transaction to get an appreciation of its associated risks and fees.

You are assuming the risks involved with investing in securities and other investment products, and you could lose all or a portion of the amount you hold in the Program. For a discussion of conflicts of interest with the use of certain investments and securities, please review “Compensation, Conflicts of Interest and Material Relationships.”

Effect of Public Health Emergencies. Public health emergencies, like the recent form of coronavirus, can create adverse impacts on global commercial activity and has contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The global COVID-19 pandemic resulted in the implementation of quarantines prohibitions on travel, the closure of offices, businesses, schools, and other public venues, and other restrictive measures. Such measures and the general uncertainty surrounding the dangers and impact of such emergencies, like COVID-19 create significant disruption in supply chains and economic activity and have a particularly adverse impact on a number of industries. While we have established business continuity and risk management systems, the operations of Merrill and its Affiliates may be materially impacted as a result of public health emergencies of the scale like COVID-19.

Information and Cybersecurity Risks. With the increased use of technologies to conduct business, like all companies, Merrill, its Affiliates, and our service providers are susceptible to operational, information security, and related risks. In general, information and cyber-incidents can result from deliberate attacks or unintentional events and arise from external or internal sources. Cybersecurity risk represents, among other things, exposure to failures or interruptions of service or breaches of security, including as a result of malicious technological attacks and other unauthorized access to digital systems for purposes of misappropriating assets or sensitive information; corrupting data, equipment, or systems; or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (making network services unavailable to intended users).

Cyber-incidents may 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., manage information security risk and cybersecurity risks in accordance with internal policies that govern our comprehensive information security program that are designed to protect the firm by enabling preventative, detective and responsive measures to combat information and cybersecurity risks. There can be no assurance that we or our service providers, will not suffer losses relating to cyber-attacks or other information security breaches in the future. While we have established business continuity and risk management systems seeking to address system breaches or failures, there are inherent limitations in such plans and systems.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

As part of the enrollment process into MAS, you may need to provide information about your financial circumstances, investment objectives, risk tolerance and other relevant information relating to your Account. With certain exceptions, this information will not be provided to your Investment Manager.

You are obligated to notify your Financial Advisor promptly of any material change in financial circumstances, investment objectives or investment restrictions (if any) that may affect the services your Financial Advisor provides to the Account in MAS. You are notified periodically to emphasize the need for you to report such information. The management of your Account is the responsibility of your selected Investment Manager.

Accordingly, you must also provide any such updated information directly to your Investment Manager, and neither Merrill nor our Financial Advisors have any obligation to communicate such information to your Investment Manager.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

We do not place any restrictions on your ability to contact and consult with your Investment Manager. Under MAS, you enter into a separate agreement with your Investment Manager and that agreement will discuss your ability to contact your Investment Manager.

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's Form ADV at: adviserinfo.sec.gov.

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 Merrill 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'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 Bank of America, is a leading global investment banking firm and a registered broker-dealer and investment adviser. In the United States, Merrill acts as a broker (*i.e.*, agent) for our corporate, institutional and private clients. Through our own arrangements and through our affiliate, BofA Securities, Inc. ("BofAS"), we have access to a dealer market in the purchase and sale of corporate securities, primarily equity and

Merrill Lynch Managed Account Service Brochure

debt securities traded on exchanges or in the over-the-counter markets. Merrill also acts 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.

As a registered investment adviser, Merrill completes a Form ADV, which is publicly filed with the SEC (available at <http://www.adviserinfo.sec.gov>).

For purposes of Form ADV Part 2, certain Merrill management persons are registered as registered representatives or associated persons of Merrill. In the future, certain additional Merrill 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 Merrill to the extent necessary or appropriate to perform their job responsibilities.

Bank of America, through its subsidiaries and Affiliates, including us, 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) providing research including: global equity strategy and economics, global fixed-income and equity-linked research, global fundamental equity research, and global wealth management strategy. Bank of America is subject to the reporting requirements of the Exchange Act and additional information about Bank of America can be found in publicly available filings with the SEC. From time to time, a shareholder of Bank of America may acquire a sufficiently large interest in Bank of America 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, may be limited.

We, through our Financial Advisors, may suggest or recommend that clients, including MAS clients, use our securities account, execution and custody or other services for your investment activity, or use the services of an Affiliate. Similarly, Financial Advisors may suggest or recommend that clients purchase our products or our Affiliate's products. Where you use or purchase Merrill's or our Affiliate's services or products, we and our Affiliates will receive fees and compensation. Financial Advisors, as permitted by applicable law, receive compensation (the amount of which varies) in connection with these products and services.

CODE OF ETHICS

Conflicts of Interest and Information Walls. Merrill and its parent company, BofA Corp., engage in a wide range of activities and businesses across a broad spectrum of clients. As a result, we recognize actual, potential and perceived conflicts of interest develop in the normal course of operations in various parts of the Bank of America 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 Bank of America possess material nonpublic information. Additionally, Bank of America maintains a Code of Conduct which provides guidelines for the business practices and personal conduct all associates and board members are expected to adopt and uphold.

Managing conflicts of interest is an integral part of Bank of America's risk management process. We believe that no organization can totally eliminate conflicts that exist explicitly or implicitly. Each of Bank of America and Merrill 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. We have 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. The Code of Ethics is based on the

Merrill Lynch Managed Account Service Brochure

principle that clients' interests come first, it is intended to assist employees in meeting the high standards that we follow in conducting our business with integrity and professionalism. The Code of Ethics covers requirements relating to:

- Employees complying with all applicable securities and related laws and regulations
- Reporting and/or clearance of employee personal trading
- Prevention of misuse of material nonpublic information
- Obligation to report possible violations of the Code of Ethics to management or other appropriate personnel.

Covered personnel must certify to the receipt of the Code of Ethics. We will provide a copy of the Code of Ethics to you upon request. We also have 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 certain personnel obtain specific approval of securities transactions and have implemented procedures for monitoring these transactions as well as those of all employees. Our requirements impose certain responsibilities on Financial Advisors and their trading. Financial Advisors are permitted to participate in block trades along with their clients and/or other Program clients.

COMPENSATION, CONFLICTS OF INTEREST AND MATERIAL RELATIONSHIPS

Benefits to Us and your Financial Advisor from your Enrollment in the Program. Merrill earns revenue from the MAS Fee paid to us under the Program, as well as from commissions, markups/markdowns, up-front sales charges and other sales charges or fees (collectively, "Sales Charges") paid in connection with brokerage transactions. Merrill also earns revenue from other fees and payments you may make and from what we receive from Affiliates and third-party Investment Manager, fund managers, product distributors and sponsors and other product providers ("Third-Party Firms") related to transactions in your Account.

Financial Advisors earn compensation and benefits based on the revenue that Merrill earns from the fees paid in the Program and as revenue derived from certain, but not all, of the other fees and costs you incur that are not covered by the MAS Fee. They also earn compensation and benefits based on the revenue that Merrill earns from Sales Charges related to securities transactions in any brokerage account you may have as well as from the revenue derived from the referrals to Affiliates (including referrals to an Affiliate for banking products or services). Merrill may also receive revenue from Third-Party Firms depending on the investment products in which you invest, which is not part of the financial advisor's compensation. As Merrill revenue increases, the Financial Advisors' compensation will increase or will be positively impacted. This means that a financial advisor will have a financial interest in recommending transactions that generate higher amounts of revenue for Merrill and compensation for them, rather than those transactions that generate lower amounts of revenue. They also have the incentive to charge the maximum MAS Fee rate rather than agreeing to a lesser fee rate or offering a discount or waiver of Sales Charges for brokerage transactions where they have the discretion to do so.

The amount of revenue we receive and compensation your Financial Advisor earns varies depending on the program, service or product you select. These differences create a conflict of interest in that there is a financial incentive for your Financial Advisor to recommend or select a certain type of relationship or certain investment programs based on the nature of the compensation they will receive. 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 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 as well as the level of the MAS Fee rate that you agree to or are charged.

We pay Financial Advisors a salary and incentive compensation that is based on the revenues Merrill receives for making available and/or providing the Program Services, as well as for the brokerage services provided to clients with brokerage accounts. In general, a Financial Advisor is credited in the form of "production credits" with a portion of the MAS Fee paid and for brokerage accounts, the Sales Charges received from securities transactions. In addition, Financial Advisors also receive production credits based on a clients' use of margin lending, in respect of cash swept to Bank Affiliates and for referrals of clients to BANA and other Merrill Affiliates for banking and lending services and for other financial services, including trade execution. The calculation of production credits generated takes into account the MAS Fee you pay for the Program Services, Sales Charges received for the investment products purchased or sold in any brokerage account and other factors which may change from time to time. Because different investment products and services have varying Sales Charges, there are different associated production credits related to brokerage transactions in those products.

Merrill Lynch Managed Account Service Brochure

Merrill compensates your Financial Advisor on an ongoing basis based on the MAS Fee rate that is negotiated with and agreed to between you and your Financial Advisor for your Account and the associated production credit is based on that negotiated rate. When proposing a MAS Fee rate to you, the Financial Advisor typically will consider a number of factors, including the amount of your assets, the number and size of related accounts, the range and extent of services provided or to be provided to you, the breadth of your relationship with Merrill, the Strategy you selected, competitive considerations and the Financial Advisor's own compensation considerations. In the Program, the Financial Advisor has a financial incentive to obtain the highest MAS Fee rate in the fee discussions with you and this incentive can influence the recommendations related to the Strategy for an Account (which will have its own separate Manager Fee rate that would apply to your Account). The higher the MAS Fee rate you agree to, the more the Financial Advisor earns in production credits. The more overall production credits that the Financial Advisor generates, the higher his or her incentive compensation. This creates a conflict of interest for the Financial Advisor to recommend a Strategy that could influence the level of the MAS Fee rate and thus associated production credits.

Your Financial Advisor has the ability to agree to a fee that is lower than the maximum rate. Merrill has business and compensation policies that result in their receiving lower compensation if the agreed-upon MAS Fee rate is lower than certain established levels. Therefore, Financial Advisors also have a financial incentive not to reduce fees below those levels. You may accept or decline any proposed rate by your Financial Advisor as part of the negotiation process.

Financial Advisors are eligible to receive a compensation award, payable over a defined period of time, from an incentive program that is currently based on meeting growth targets from the prior year in new households and in assets and liabilities. The growth in assets and liabilities component of the award is based on: the movement of client assets into accounts enrolled in certain of our investment advisory programs; the investment activity in specified investment products (e.g., money market funds, alternative investments, 529 Plan accounts, annuities and/or life insurance); the opening of new BANA trust accounts; the establishment of 401(k) Plan accounts; and clients' participation in brokerage account sweep deposit accounts and brokerage account sweep money market funds, checking and savings accounts, the Preferred Deposit product available in brokerage accounts, loans, mortgages and margin lending offered by Merrill, BANA and our other Bank Affiliates. Financial Advisors do not receive additional compensation as a result of advisory client assets held in the Cash Sweep Program. A Financial Advisor is subject to a reduction in their incentive compensation if they fail to achieve growth over two consecutive years in the assets and liabilities component of the award. Merrill changes the compensation program from year to year to add to or adjust the criteria.

Financial Advisors may have received recruiting and retention payments and have certain ongoing responsibilities relating to such payments. These payments may take various forms, including salary guarantees, upfront bonuses or loans and various forms of compensation contingent on continued employment. The amount paid to a Financial Advisor under these arrangements generally is based to a large extent on the size of the business at a prior firm. In addition, as part of the recruiting arrangements, a Financial Advisor is eligible for future bonus payments based on assets that transfer, including from their prior firm, which creates a conflict of interest since the Financial Advisor has an incentive to recommend that you transfer your account to us. The future bonus payments are conditioned on the total assets in accounts serviced at Merrill. These bonuses are in addition to the incentive compensation to which a Financial Advisor is otherwise entitled as a financial advisor.

Financial Advisors have a financial incentive to recommend rolling over assets from an employer-sponsored retirement plan (such as a 401(k) plan) or a retirement account at another firm (a "rollover") into an Individual Retirement Account (IRA). We and our Financial Advisors also have a financial incentive to recommend a rollover to Merrill because transactions in the rollover IRA will generate either investment advisory fees if that account is enrolled in the Program or Sales Charges and other compensation that benefits Merrill and the financial advisor.

There is a conflict of interest when your financial advisor recommends an account or program type, a security transaction or investment strategy where it is expected that Merrill will earn greater revenue over another account or program type, security transaction or investment strategy and therefore your financial advisor will earn more compensation. Having a compensation award based on meeting criteria based on client investment activity or engaging with Merrill or Affiliate financial or banking and lending services presents a conflict of interest between the Financial Advisor and you because it could lead to such activity being promoted by them to qualify for the compensation award or to avoid the reduction in their incentive compensation.

We address compensation conflicts described in this section and in other sections of the Brochure in a variety of ways, including the disclosure of the conflicts in this Brochure, by requiring clients to affirm their interest for products in signed agreements, oversight and supervision of particular account type relationships and specific investment product

Merrill Lynch Managed Account Service Brochure

choices, account and product disclosures and documentation provided to clients prior to or at time of sale. Moreover, our Financial 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, risk tolerance and financial situation and needs and considering cost.

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. Clients have the ability to enroll accounts in the Program holding some or all of their investment assets and to have brokerage accounts for some or all of their assets. The various programs we offer and ways to interact with Merrill are outlined in the [Form CRS](#), this Brochure and in the [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 the MAS 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 MAS Fee we charge. A recommendation of the type of account relationship creates a conflict of interest for us and your Financial Advisor. The amount of compensation we and our Advisors receive depends on the type of account and relationship you choose.

In the Program, you will pay the MAS Fee at the rate you agree with your Financial Advisor. In a brokerage account, you will pay per trade Sales Charges to purchase and sell securities and a portion of those charges and fees will be paid to your Advisor. In a brokerage account, the amount of revenues we receive and the compensation that our Advisor receives depends on the level of trading activity in the Account, the applicable Sales Charges and the associated production credits as well as other indirect compensation. You could pay higher fees in a brokerage account than from one enrolled in the Program depending on the Sales Charges, frequency of trading and the investment products for investment and other factors. By contrast, if the trading activity in your brokerage account is limited, your Advisor has a financial incentive or conflict of interest to recommend that you enroll in the Program because we and your Advisor could earn greater compensation from the annual asset-based fee.

Certain investment strategies are available to you outside of the Program for more or less than you would pay in the Program. 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 the MAS Services Separately." 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 MAS Fee rate you agree to with your Financial Advisor and the types of investment solutions you are interested in investing in. We offer other investment advisory programs that offer certain of the Strategies that are the same as or similar to those available 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. You may obtain these Strategies for a lower cost than you pay in the Program but you will receive different services from the Services you receive through the Program.

Use of Related Managers. The MAS program offers the ability to choose an Investment Manager that is a Related Manager. The selection of a Related Manager results in increased compensation to us or our Affiliate because we and/or the Merrill Affiliate retain both the MAS Fee and the Investment Manager Fee (other than with respect to Retirement Accounts). If the Strategy of a Related Manager is selected, we and/or the Merrill Affiliate retain both the MAS Fee and the Investment Manager Fee (other than with respect to Retirement Accounts). For this reason, a conflict of interest exists when your Financial Advisor assists you in the selection of a Strategy of a Related Manager.

Our Affiliates 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 those programs, including advice related to the recommendation of certain Investment Managers, will be different from, or even conflict with, the advice and recommendations provided in connection with the Program or to other Affiliates. 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. For example, we may recommend a specific Investment Manager for inclusion in a BANA program, but not a Merrill program. Conflicts of interest related to the inclusion of Related Managers in MAS are further discussed under the section "Funds and Related Investing."

Cash Sweep Program Compensation Received by Us and Our Affiliates. A MAS Strategy can include a cash allocation for operational and implementation purposes and/or investment purposes as directed by the Investment

Merrill Lynch Managed Account Service Brochure

Manager. Some types of Strategies include investments that take an extended period of time to purchase due to the type of securities, their availability in the market and selection criteria. Until invested, the cash for these investments is typically invested in cash alternatives or other investment products as determined by the Investment Manager as a temporary investment pending purchase of the individual security. The Investment Manager has the investment discretion to keep the cash position as a cash balance subject to the Cash Sweep Program.

Merrill benefits financially when there are 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. For Accounts that are eligible for and that elect a money market fund as its cash sweep option, we receive compensation for providing infrastructure, marketing support, sub-accounting or other services. 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 the ISA cash sweep option available to certain account types, we receive a fee directly from each Participating Bank based on the daily deposit balance held by the Participating Banks. The amount of the fee varies from time to time and by the Participating Bank. For deposits unrelated to the Cash Sweep Program to our Bank Affiliates relating to referrals from a financial advisor, 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. For Program Accounts, Financial Advisors are compensated based on the MAS Fee charged on the Account which is based on the agreed-upon MAS Fee Rate and the value of the assets in the Account, including cash balances and cash alternatives swept under the Cash Sweep Program. This creates a conflict of interest and an incentive for the Financial Advisor to recommend that you hold your securities investments and cash assets in your Account so that it would be included in the fee calculation. In addition, Financial Advisors receive increased compensation based on achieving a number of strategic objectives, including, among other activities, the growth in their clients’ participation in banking services and Lending Programs offered by Merrill, BANA and our other Bank Affiliates, like the brokerage account bank sweep deposits and brokerage account sweep money market funds, checking and savings accounts, the Preferred Deposit product available in brokerage accounts, loans, mortgages and margin lending. Financial Advisors do not receive additional compensation as a result of advisory client assets held in the Cash Sweep Program.

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 the cash funds deposited in the 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 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 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 other 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.

Merrill receives compensation for administrative and other services from the money market funds available as an automatic sweep option for certain Retirement Accounts and TMAs which we do not retain under applicable regulation. We rebate the compensation received from the fund managers of the sweep money market funds to clients of these types of accounts.

We address the conflicts of interests 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. 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.

Third-Party Firm Business Relationships and Support. While we do not recommend or select Investment Managers participating in MAS, we and our Affiliates have business relationships with Third-Party Firms. 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. 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.

From time to time, Merrill enters into distribution agreements with asset managers pursuant to which Merrill distributes certain products and services sponsored or advised by the asset manager. Due to these relationships, the management and employees of these entities have a broader level of access and exposure to Merrill, our management, Financial Advisors and other personnel. In addition, they have the opportunity for increased exposure at, marketing events or in Financial Advisor and client materials. Such access and exposure is not available to other asset managers and enhances the ability of our Affiliates to distribute their funds and other investment products through us. Each of the Related Funds pays investment management fees to its investment adviser and, like Unrelated Funds, incurs other expenses. That said, your Investment Manager, not Merrill or your Financial Advisor, will recommend individual securities and exercise investment discretion.

Third-Party Firm relationships create a conflict of interest and affect opportunities to negotiate more favorable financial terms for client investments in the products of the Third-Party Firms. In order to make investment products or services available on our platform, we incur certain technology and infrastructure costs. While we do not generally receive reimbursement for technology-related costs associated with the onboarding or maintenance of a platform, tool or service, we reserve the right to seek reimbursement from Third-Party Firms for particular projects. In the event that we receive support from product issuers or sponsors for such costs, it 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 disclose the nature of our relationship in general with Third-Party Firms. We determine the compensation paid to our Financial Advisors on the same basis for all Program assets without regard to the amount of compensation we or our Affiliates receive. Our Financial 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. Additionally, we select Strategies 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. We have adopted various policies and procedures reasonably designed to prevent the receipt of such compensation and other business arrangements from affecting the nature of the advice we and our Financial Advisors provide.

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, employees who work for a Merrill branch, market or division to support the financial advisors (“Field Employees”) and employees who cover product, Chief Investment Office and home office support functions (“Non-Field Employees”). Conferences are organized on either a national or local level. Merrill and certain Third-Party Firms share in the costs of the Conferences. During 2023, Merrill and certain Third-Party Firms shared in the costs of the Conferences and during this period, Merrill received approximately \$4.7 million from participating Third-Party Firms as part of their share of the covered costs for these Conferences.

Merrill also holds client and prospect events (e.g., seminars, trade shows, booth events) where Third-Party Firms participate (“Client Events”). Merrill is reimbursed by participating Third-Party Firms for certain expenses incurred in connection with holding such Client Events. During 2023, Merrill was reimbursed by participating Third-Party Firms for certain expenses incurred in connection with holding such Client Events in the amount of approximately \$2.2 million from participating Third-Party Firms.

Certain Third-Party Firms periodically host or participate in educational meetings for certain Financial Advisors, Field Employees and Non-Field Employees (“Manager Meetings”) where they provide information on investment products and services and the opportunity to interact with their investment and sales personnel. Those holding Manager Meetings pay for the costs of some of the meeting subject to a cost sharing cap. Merrill or the attending Financial Advisor, Field Employee and Non-Field Employee pay for travel, accommodation and continuing education costs. In 2023, the total expenditures made by participating Third-Party Firms relating to Manager Meetings was less than \$50,000.

Merrill Lynch Managed Account Service Brochure

Furthermore, Third-Party Firms also provided 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 2023 was approximately \$225,000. Participation in charitable events is subject to Merrill internal policies and supervision.

Beginning in January 2024, Third-Party Firms that elect to act as sponsors of Conferences and Client Events will reimburse Merrill on an equitable basis for the eligible costs of the particular Conference for which they act as sponsor. The reimbursable costs include venue and facilities costs (including food and beverages), certain speaker costs and travel, lodging and continuing education costs for attending Financial Advisors and select employees facilitating the Conference or Client Event. Merrill organizes the Conferences and Client Events and approves the attendees, speakers, agenda and meeting content and sponsors. All Conference and Client Event expenditures must align to Merrill internal policies and policy limits and are subject to Merrill supervision and oversight. In addition, Third-Party Firms that hold Manager Meetings will pay for all eligible costs associated with such meetings, including the cost of travel, accommodation and continuing education fees for the attending Financial Advisors, Field Employees and certain permitted Non-Field Employees (not including any CIO employee). The costs to be covered by the Third-Party Firm are subject to Merrill policies and guidelines.

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 for Financial Advisors to recommend products of participating Third-Party Firms. They give those Financial Advisors participating in Conferences, Client Meetings and Manager Meetings 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 Employees to approve those recommendations and for non-Field Employees to select 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 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 Employees to approve the recommendations of products and services of Third-Party Firms who participate in the Conferences, Client Events and Manager Meetings and we do not incentivize Non-Field Employees to approve particular products of a Third-Party Firm for the Merrill platform. We limit the participation of Financial Advisors, Field Employees and Non-Field Employees in these events. Third-Party Firms are not permitted to condition their payment on any amount of sales of their products or services.

Third-Party Firm reimbursements for costs of meetings and events must align to Merrill internal policies and policy limits and are subject to Merrill supervision and oversight that is reasonably designed to review the nature of the business interactions and level of expense reimbursement from affecting the nature of the advice we provide.

Representatives of Third-Party Firms will, from time to time, meet and work with our Financial Advisors, Field Employees and Non-Field Employees, one on one or in small individual groups, to provide information and support regarding their respective investment products. We have adopted policies and procedures that limit Third-Party Firms from providing and paying for, and our Financial Advisors, Field Employees and Non-Field Employees from receiving, gifts, meals and entertainment, other than as permitted and subject to the limits established under Merrill internal policies. Nominal gifts including items of a promotional nature related to the Third-Party Firm (*i.e.*, logo items, like golf balls, hats) are permitted. Subject to our policy requirements and restrictions, a Third-Party Firm may pay the costs of a business meal for a Financial Advisor, Field Employee and Non-Field Employees up to a limit of \$300 per meal and a total of \$1,000 per year. While our policies permit attending entertainment events (*i.e.*, sporting events and golf outings) organized by a Third Party Firm, the Financial Advisor, Field Employee and/or Non-Field Employee must pay for the costs of such events themselves.

Permitting Third-Party Firm representatives access to our financial professionals and paying for meals presents a conflict of interest. Providing Financial Advisors with gifts, meals or entertainment access creates incentives for them to recommend investment products of those Third-Party Firms. It can also create incentives for Field Employees to approve recommendations of a financial advisor, where required. Furthermore, providing gifts, meals or entertainment access 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, meals, entertainment access from affecting the nature of the advice we provide. Third-Party Firms are not permitted to condition their gifts, business meals or entertainment access on any

Merrill Lynch Managed Account Service Brochure

amount of sales of their investment products. Merrill does not incentivize any of its financial professionals to recommend or select one investment product over another.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

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 the Cash Sweep Program. As further described in “Funding and Operation of MAS Accounts—Cash Balances and the Cash Sweep Program” in cash balances may be held in your Account for a number of different reasons, including as part of a Strategy’s asset allocation to cash. To the extent the Investment Manager does not select a cash alternative vehicle for your Account’s cash allocation, the cash allocation will be maintained in your Account as a cash balance. Unless your Account is a certain type of Retirement Account or a TMA Account, the only sweep vehicle currently available to you for the cash balance is a bank deposit account affiliated with the Cash Sweep Program with our Bank Affiliates. Please see the section “Compensation, Conflicts of Interest and Material Relationships—Cash Sweep Program Compensation Received by Us and Our Affiliates” for a discussion of the conflicts of interest related to the 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, the RASP and the ISA Program. These fees are up to \$100 per year for each account received from the Bank Affiliates and a fee of up to 2% per annum of the daily balances from the ISA banks. This compensation is subject to change from time to time, and Merrill may waive all or part of it.

For TMA and certain eligible retirement accounts that have selected the money market fund automatic sweep option, the available sweep money market funds include a 0.40% asset-based administration fee per annum that is paid to Merrill. Merrill rebates the amount of the asset-based administration fee it receives to these clients. The amount of such rebate may be less than this 0.40% fee in certain rate environments where the fund manager waives or reduces the amount of such fee in order to avoid a negative return on the money market fund.

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.

Trade Execution. We will not charge a commission on agency transactions in your Account. There may be instances in which we or an Affiliate of ours act as principal in effecting an investment transaction for your Account, in accordance with applicable law. If we or an Affiliate of ours effect a principal transaction for your Account, we will not charge a markup or markdown. However, principal transactions may be subject to a spread, underwriting fee or selling concession, which would result in additional compensation or other benefit to Merrill or an affiliate. You have authorized transactions for your Account to be effected on a stock exchange by Merrill or an Affiliate, as appropriate.

We or one of our Affiliates may, at times, act as agent for both buyer and seller in effecting investment transactions involving MAS clients or other advisory clients (“agency-cross transactions”), in accordance with applicable law. Since we generally will receive compensation from each party to an agency-cross transaction, there is a 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 MAS Fee. By signing the Client Agreement, you consent to us acting as your agent in effecting agency-cross transactions for the account when we consider them advisable and consistent with applicable law. You may revoke the consent at any time by notifying us in writing.

From time to time, we may cause your account to engage in a transaction for the purchase or sale of a security with another client, subject to applicable law. We would do so only when we determine that the transaction is in the best interest of each party, and we would not receive any compensation in connection with the transaction.

Funds and Related Investing. We generally restrict Investment Managers from purchasing mutual fund shares in your Account, including purchasing additional shares of any mutual fund that you used to fund your Account (either initially or otherwise). To the extent that you fund your Account with mutual fund shares, and you or your Investment Manager do not liquidate or transfer such shares from your Account within a limited period of time after being requested to do so, we will terminate your Account from MAS. Mutual funds and money market funds (referred to as “mutual funds”), that are not held through a cash sweep vehicle applicable to your Account are not eligible assets and therefore are not subject to the MAS Fee.

Merrill Lynch Managed Account Service Brochure

In the event your Investment Manager is permitted to use these mutual funds as a part of the Strategy used in your Account, you understand that these funds may be related to the Investment Manager. Any fees and compensation, including the sub-accounting services fees discussed below, that we or our Affiliates receive from or on behalf of a mutual fund or either of their product sponsors in connection with your investments enrolled in the Program are in addition to the MAS Fee and, except to the extent required by applicable law, the MAS Fee is not offset or reduced by any such fees and compensation we receive. These mutual funds may pay us to provide the required 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 mutual funds (or their respective principal underwriter or other agent), we provide daily sub-accounting services (either directly or through a subsidiary) to the holders of these types of mutual 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 mutual 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 type of mutual funds, the mutual fund itself 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 includes other types of fees, such as administration and distribution payments. Due to applicable regulation, we do not retain compensation for sub-accounting or administrative services for money market fund assets that are held through a cash sweep vehicle for Retirement Accounts or TMAs.

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 funds, the sub-accounting services asset-based fee is generally 0.005% per annum.

The amount of the sub-accounting services fees varies among mutual funds and, in certain instances, between share classes of individual mutual funds. This results in a conflict of interest because it creates an incentive for us to recommend that you invest in mutual funds and share classes that pay higher fees. We receive higher sub-accounting payments from mutual fund families that have higher asset levels held in our client's accounts because 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 exceed 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 Financial Advisors on the same basis for all Program assets without regard to the amount of compensation we or our Affiliates receive. Our Financial 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 mutual funds that are available and offered through the Program as well as in our brokerage accounts and other 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.

Provision of Financial Services. BofA Corp., through its subsidiaries and Affiliates, including us, 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 recordkeeping services; (4) origination, brokerage, dealer and related activities in swaps, options, forwards, ETFs, 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) providing research including: global equity strategy and economics, global fixed-income and equity-linked research, global fundamental equity research, and global wealth management strategy. As a result, we, BofA Corp. and our Affiliates can be expected to pursue additional business opportunities with the entities whose investments we and our Financial Advisors recommend or make available to clients. Consistent with industry regulations, the services that we and our Affiliates provide include: banking and lending services; sponsorship of deferred compensation and retirement plans; recordkeeping services; investment banking; securities research; institutional trading and prime brokerage services; custody services; investment advisory services; and effecting portfolio securities transactions for Funds and other clients. BofA Corp. is subject to the reporting requirements of the Exchange Act and additional information about it can be found in publicly available filings with the SEC.

Merrill Lynch Managed Account Service Brochure

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 are publicly available in Regulation NMS Rule 606 reports we file with the SEC.

From time to time, a shareholder of BofA Corp. may 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, may be limited.

Participation in Affiliate Lending Programs and Margin. There are of conflicts of interest when we recommend that you use a loan secured by your Account assets as collateral. These conflicts exist with any of our Affiliate lending programs that may be available to you from an Affiliate lender. In the case of a loan from an 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, and your Financial Advisor receives compensation based on a percentage of the loan revenue of the Affiliate lender for such loan. Financial Advisors may receive greater benefit if you borrow more under a margin or Affiliate lending program and if you are charged a higher interest rate. The lender, whether it be Merrill, or an Affiliate or a third-party lender, 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 Financial 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. Another example is that your Financial Advisor may recommend a less risky investment in order to minimize the risk of loss with respect to the Affiliate lender's collateral. Furthermore, your Financial Advisor is compensated based on a percentage of the revenue on the loan and this means your Financial Advisor can benefit from your borrowing under the lending program, rather than liquidating assets held in the Account, and will receive a reduction in compensation earned by recommending you reduce your outstanding loan balance.

Certain investment strategies can involve the use of margin. Merrill will receive compensation in connection with any assets purchased in an Account on margin or other extensions of credit by us, which is in addition to, and does not reduce, the MAS Fee. Financial Advisors will receive additional compensation in such circumstances, unless waived, as well as, in limited cases, from rights or tender offers. The additional economic benefit to us from the use of margin creates a conflict of interest.

Investment in Securities by Merrill, its Affiliates and Personnel. We and our affiliates act in a variety of capacities to a wide range of clients. From time to time in the course of those duties, confidential information will be acquired that cannot be divulged or acted upon for advisory or other clients. Similarly, we may give advice or take action with regard to certain clients, including MAS clients, which differs from that given or taken with regard to other clients. This includes the advice given or actions taken with respect to certain securities, Funds or Investment Managers. In some instances, the actions taken by affiliates with respect to 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.

Certain of our affiliates may have investment banking or other relationships with certain publicly traded companies; from time to time, these relationships compel us to forego trading in the securities of these companies. In the course of investment banking and other activities, our affiliates acquire confidential or material nonpublic information that prevents us or our affiliates, for a period of time, from purchasing, selling or recommending particular securities for your account. We and our affiliates are not permitted to divulge or to act upon this information with respect to our advisory or brokerage activities.

Related Managers may provide advisory services with respect to one or more strategies available for your selection. BofA Corp. is the ultimate parent company of and/or a direct or indirect substantial stockholder in Related Managers. If a Strategy provided by a Related Manager is selected, we and/or a Related Company will retain the entire MAS Fee. For this reason, a conflict of interest exists when our Financial Advisor selects or assists you in the selection of, as applicable, a Related Manager Strategy. We and our Affiliates provide some or all of the same services offered in the Program through other financial firms, either with Affiliates or with firms that are unaffiliated. Certain of these services have fee

Merrill Lynch Managed Account Service Brochure

rates that differ from the MAS Fee. We or our Affiliates may have a position in or enter into “proprietary” transactions in securities purchased or sold for clients, including MAS clients. We or our Affiliates benefit from such securities positions or transactions.

COVERED ENTITIES UNDER THE VOLCKER RULE

We may provide certain entity clients that qualify as “family wealth management vehicles (“FWMV”), or FWMV clients, with both the services under the Program as well as lending services and to engage, where permitted, in principal transactions. In doing so, we rely on the exception under the Volcker Rule implementing regulations that is available for FWMV clients and have provided FWMV clients with key disclosures that relate to qualifying for this exception 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 services under the Program 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.

REVIEW OF ACCOUNTS

We do not review your Account on a periodic or other basis. Reviews of your asset allocation strategy will not be performed unless you specifically request otherwise.

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 Financial Advisor and request that the document be made accessible.

As discussed above, we assist you in monitoring and evaluating the performance of your Account by providing periodic performance reports containing returns and other statistical performance analyses.

When we act as custodian, you will receive an account statement in any month in which there is trading or other activity (or in any event quarterly). If you decide to use a custodian other than us, your custodian or trust company must provide periodic custodial or trust reports and settlement instructions to us (or our designee). We are not responsible for the accuracy of these statements and will rely upon the data and other information presented therein or in other reports provided to us by your custodian to prepare performance reports for you. You may also receive reports directly from your selected Investment Manager.

As you direct in the Client Agreement or other writing, you may elect not to receive confirmation of transactions for your Account(s) on a trade-by-trade basis, except as required by rule or regulation, and, in lieu thereof, receive a periodic statement that will be furnished to you not less frequently than quarterly and that will contain the same information that would be included in the trade-by-trade confirmation for each transaction. Your election to receive periodic statements in lieu of trade-by-trade confirmations is entirely optional and will not affect the calculation of or amount of your MAS Fee; is not a condition to entering into or continuing participation in MAS and may be rescinded at any time by written notice to us with respect to your Account.

We will send confirmations for transactions effected in your Account (or information contained therein) to you and your Investment Manager, as applicable. You may request, and we will provide to you at no additional cost, an interim update and further details concerning any transaction effected between periodic statements either by calling your Financial Advisor or, where you are enrolled in MyMerrill, by checking your account on MyMerrill. If you elect to receive periodic statements in lieu of trade-by-trade confirmations, you may later choose to receive, and we will provide to you at no additional cost, any confirmations for transactions effected for up to a one-year period preceding your last periodic statement and trade-by-trade confirmations for all subsequent transactions.

CLIENT REFERRALS AND OTHER COMPENSATION

We have entered or may enter into marketing arrangements with third parties who, for compensation, will provide certain services to us in connection with the marketing of our various advisory services for referring prospective clients to us. Each such marketing arrangement is or will be governed by a written agreement between us and the applicable third party, and will be disclosed to you, as required by law.

We have entered into solicitation arrangements with certain third-party entities to refer prospective clients to us (“Solicitors”). Generally, the fees paid to Solicitors will be paid from investment advisory fees received and retained by us

relating to your Account. This fee will generally be a percentage of the investment advisory fee ordinarily credited to your Financial Advisor for the applicable account. We will pay this fee to the Solicitor from the date you establish an account in the applicable program for as long as your account remains enrolled in MAS and the agreement between us and the Solicitor is effective. If we terminate the agreement with the Solicitor for certain reasons, we may continue to pay the Solicitor for a period of time after termination. We will not increase the fees you pay as a result of our payments to the Solicitor. The fees we charge will not be higher than our usual fees because of the payments to the Solicitor.

Our employees may refer advisory clients to BANA and other 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 Merrill and BANA or its affiliates.

FINANCIAL INFORMATION

Not applicable.

GLOSSARY

“**Account**” means each of the client’s securities accounts to which the Client Agreement applies and is managed by a single Investment Manager.

“**ADR**” means American Depositary Receipt, which is a receipt for shares of a foreign company held by a U.S. financial institution that entitles you to rights and obligations of the underlying shares, including dividends and capital gains and losses.

“**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.

“**Affiliated Custodian**” means an Affiliate of Merrill that provides custodial services.

“**AIPS**” means the Merrill Automated Investment Program.

“**BANA**” means Bank of America, N.A.

“**Bank Affiliate**” means one or more bank depository institutions affiliated with Merrill.

“**Bank of America**” or “**BofA Corp.**” means Bank of America Corporation.

“**Cash Sweep Program**” means the program associated with your securities account whereby cash balances in your Account are automatically swept into a cash sweep vehicle in accordance with the terms of the program for your Account.

“**Client Agreement**” means the agreement relating to MAS between the client and Merrill, as it may be amended from time to time.

“**Code of Ethics**” means the Merrill Investment Adviser Code of Ethics.

“**Disclosure Statement**” means the Merrill program brochure relating to MAS, as amended or updated from time to time. The Disclosure Statement is also referred to as the Brochure.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended. “**ERISA Plan**” means a plan subject to the fiduciary responsibility provisions of ERISA or any other entity deemed to hold assets of such a plan, including SIMPLE, SEP and other IRAs subject to ERISA’s fiduciary responsibility provisions.

“**ETF**” means an exchange-traded fund.

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

“**FDIC**” means the Federal Deposit Insurance Corporation.

“**Financial Advisor**” means the Merrill Financial Advisor who provides non-discretionary investment advice to the client in MAS.

“**Funds**” means registered and unregistered investment companies, including mutual funds, closed-end funds, ETFs, exchange traded notes, Alternative Investment Funds, real estate investment trusts and other pooled investment vehicles.

“**Investment Company Act**” means the Investment Company Act of 1940, as amended.

“**Investment Manager**” means an investment adviser that is registered with the SEC or one or more state regulatory authorities, or which is exempt from the registration requirement.

“**Investment Manager Fee**” means the advisory fee that you pay the Investment Manager.

“**Legacy Managers**” means Investment Managers that participated in a Previous Program.

“**MLIAP**” means the Merrill Lynch Investment Advisory Program.

“**Performance Reports**” means periodic performance reports.

“**Program**” means the Merrill Lynch Managed Account Service.

“**Previous Program**” means a program or service sponsored by Merrill in which a Legacy Manager generally no longer participates because (i) the Legacy Manager removed itself from the program or service, (ii) Merrill removed the Legacy Manager from the program or service, or (iii) the program or service was itself terminated by Merrill and the Legacy Manager was not added to the roster of another Merrill service or program.

“**Referral-Arrangement Managers**” are Investment Managers that compensate Merrill for referrals of clients.

“**Related Company**” means a company that is an Affiliate of Merrill or in which Merrill or an Affiliate of Merrill has a material ownership interest.

“**Related Fund**” means a Fund sponsored, managed, or advised by Merrill or a Related Company. “**Related Manager**” means an Investment Manager that is a Related Company.

“**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.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Selling Broker Compensation**” means commissions, markups, or markdowns, asset-based or subscription fees, mutual fund sales loads, Rule 12b-1 fees or other remuneration as may be described in the applicable confirmations, prospectuses, subscription agreements, or other offering documents.

“**SIPC**” means Securities Investor Protection Corporation.

“**Strategy**” means one or more investment styles or disciplines or combinations of investment styles and disciplines offered by Investment Managers participating in MAS.

“**Trades**” means Investment Manager orders to buy and/or sell securities in the Account.

“**Unaffiliated Trade Counterparty**” means a bank, broker or dealer other than Merrill or a Related Company.

“**Unrelated Custodian**” means a custodian that is neither Merrill nor its Affiliate.

“**Uncovered Investment Manager**” means Investment Managers retained by you outside of the SPA Coverage List or available in the MLIAP.

Unless otherwise noted, registered service marks and service marks are the property of Bank of America Corporation.

© 2024 Merrill Lynch, Pierce, Fenner & Smith Incorporated Printed in the U.S.A.