



Best Interest Disclosure Statement

Please retain for your records

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This Regulation Best Interest Disclosure Statement (Disclosure Statement) provides information about the scope and terms of the brokerage services that Merrill Lynch, Pierce, Fenner & Smith Incorporated (Merrill, Merrill Lynch, or we, us or our) provides to retail clients that engage Merrill for brokerage services. It will help you understand our approach, services, fees, compensation and conflicts of interest.

The information in this Disclosure Statement is current as of the date below. We reserve the right to change our programs, fees and payment structures at any time. We will notify you of any material changes we make. You should review this Disclosure Statement carefully, retain it with your records and refer to it when you receive recommendations from us.

You can obtain a paper copy of this Disclosure Statement and any other disclosures referenced free of charge by contacting your financial advisor or calling us toll free at 800. MERRILL (800.637.7455).

Merrill is a dual registrant, which means that it is registered with the U.S. Securities and Exchange Commission (SEC) as a broker dealer and an investment adviser. Merrill also is a member of the Financial Industry Regulatory Authority (FINRA). Merrill is part of Bank of America Corporation (BofA Corp.), a diversified financial services company, which, together with its affiliates (Affiliates), including Bank of America, N.A. (BANA) and BofA Securities, Inc. (BofAS), provides a wide range of services to our clients.

April 2022

Merrill makes available certain investment products sponsored, managed, distributed or provided by companies that are affiliates of BofA Corp. Merrill is a registered broker-dealer, member of SIPC and wholly owned subsidiary of BofA Corp. Merrill Lynch Life Agency Inc. is a licensed insurance agency and a wholly owned subsidiary of BofA Corp. Trust and fiduciary services are provided by BANA, Member FDIC or U.S. Trust Company of Delaware. Both are wholly owned subsidiaries of BofA Corp. Banking products are provided by BANA and affiliated banks, members FDIC and wholly owned subsidiaries of BofA Corp. The investment products, insurance and annuity products:

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

Introduction

In this Disclosure Statement, we provide information to you about material facts relating to the scope and terms of our brokerage relationship for your Merrill brokerage account (Account or Brokerage Account). This information includes:

- The capacity in which we act in connection with your Account, which is solely as a broker-dealer.
- Material fees and other costs that you pay in connection with our brokerage services and your Account.
- Material facts regarding the type and scope of services (Brokerage Services) that we provide to you, including any material limitations placed on our recommendations and the basis for, and risks associated with, our recommendations.
- Material facts relating to conflicts of interest that are associated with recommendations that we make to you.

We provide other disclosures to you regarding your Account, including:

- The [Client Relationship Summary](#) (Form CRS), which contains certain SEC-required information about us and our services as a broker-dealer and as an investment adviser.
- The [Client Relationship Agreement](#) and other account agreements (Agreement) and related disclosures.
- Other disclosures about our products and services listed on the last page of this Disclosure Statement.
- Trade confirmations.
- Prospectuses and other offering documents (collectively, Offering Documents) and subscription documents, supplements and signature pages (collectively, Subscription Documents) provided in connection with purchases of certain investment products.

Documents highlighted in blue in this Disclosure Statement are accessible by clicking the highlighted link or by going to ml.com/relationships and, as relevant, merrilledge.com. You can request paper copies of disclosures and other Account information, including any of the highlighted documents linked to this Disclosure Statement from us, free of charge.

Our Account Types. We offer various account types and ways to engage with us. The [Client Relationship Summary](#) and [Summary of Programs and Services](#) provide an overview of our available programs and services. The [List of Account Types](#) provides an overview of the primary types of accounts available to you, including accounts designated for retirement savings (Retirement Accounts). You also have the ability to enroll your Account into one of our investment advisory programs. For the avoidance of doubt, the term "Account" or "Brokerage Account" in this Disclosure Statement only refers to an Account that is **not** enrolled in an investment advisory program.

Our Registered Representatives. You will receive Brokerage Services from a registered representative of Merrill. Depending on the type of Account service you choose and the type of brokerage relationship that you prefer to have, you can decide to work with a registered representative selected by you as your personal dedicated financial advisor or work with registered representatives who are available to you through our call center or at one of our Merrill Advisory Centers (MAC), which are located at wealth management and Bank of America financial centers.

If you work with a dedicated financial advisor who has the title or designation of "Advisor", you will receive Brokerage Services from us and your Advisor. Advisors can offer a wide range of Brokerage Services, including access to securities and other investment products, depending on their qualifications and training. Among the securities and investment solutions available from an Advisor are new issue offerings of equity and fixed income securities, secondary trades of equities and fixed income securities, brokered certificates of deposit (brokered CDs), mutual funds, including offshore mutual funds, exchange traded funds (ETFs), unit investment trusts (UITs), closed-end funds, market-linked investments (MLIs), listed options, options overlay strategies, exchange funds, hedge funds, private equity funds, non-traded REITs (NTRs) and other alternative investments, annuities, derivative transactions and 529 Plans. Note that certain securities and investment solutions may only be offered to clients that meet eligibility requirements and are subject to the qualifications and designation of the Advisor.

If you decide to work with a financial advisor with the title or designation "Merrill Financial Solutions Advisor" or "MFSA", you will be limited in the Brokerage Services and the securities and investment solutions you can access under our internal policies. MFSAs are eligible under our policies to provide access to a limited range of brokerage capabilities for an Account; currently, MFSAs may only offer brokered CDs and 529 plans for MFSA-serviced Accounts based on our internal policies. We may expand the list of securities and investment solutions available in a MFSA-serviced Account, without notice to you.

If you determine to enroll your Account into one or more of our investment advisory programs (IA Programs), your Advisor or your MFSA, as the case may be, can also provide investment advisory services under the terms of such IA Program. The range of investment solutions that you access depends on the IA Program you select and whether your dedicated financial advisor is an Advisor or an MFSA. Advisors may offer you certain IA Programs, including the Merrill Lynch Investment Advisory Program (IAP), among others. MFSAs are only permitted under our internal policies to offer you IAP and the ability to invest certain designated managed strategies available in that program or to offer you the Merrill Guided Investing with Advisor program (MGI with Advisor) or the Merrill Edge Advisory Account (MEAA), a very similar program to MGI with Advisor.

When you work with one or more of our registered representatives who have the title or designation of "Financial Solutions Advisors" or "FSAs", you receive Brokerage Services and access to securities and investment solutions determined under our internal policies. FSAs are not able to offer the full range of securities and investment solutions that are available from an Advisor. The ability to open an Account and work with an FSA to receive Brokerage Services is limited to certain types of clients and account types based on our internal policies. You can work with an FSA and enroll an Account into the IA Program called Merrill Guided Investing with Advisor.

We also offer a self-directed brokerage account (Merrill Edge Self-Directed or MESD) and a self-guided investment advisory program called Merrill Guided Investing. Both MESD and the Merrill Guided Investing program offer web-based interaction and do not involve the services of an Advisor, an MFSA or an FSA.

For Accounts that are serviced by FSAs and for MESD Accounts, we do not offer the ability to participate in new issue offerings, or purchase certain types of securities and investment solutions, including options overlay strategies, exchange funds, hedge funds, private equity funds, NTRs, MLIs and derivative transactions.

In this Disclosure Statement, our Advisors, MFSAs and FSAs are referred to as "financial advisors" unless otherwise noted. Some of our financial advisors hold educational or professional credentials, such as the Certified Financial Planner (CFP®) designation. Holding a professional designation indicates that the financial advisor has completed certain courses or continuing education. However, this professional designation does not change the obligations we have as a firm in providing investment advisory or brokerage services to you. You can research us and our financial advisors, including disciplinary events, for free at investor.gov and brokercheck.finra.org.

Our Services and those of our Affiliates. Through its own capabilities as well as through arrangements with its Affiliates, including BofA Securities, Inc. (BofAS) and Bank of America, N.A. (BANA), Merrill provides its clients with the services described in this Disclosure Statement, including trade execution, access to securities research, cash sweep arrangements and lending services. Merrill, BofAS and BANA are Affiliates of Bank of America Corporation (BofA Corp.), one of the world's largest financial institutions that, through its subsidiaries, serves retail clients as well as institutional customers and businesses with a full range of banking, investing, asset management and other financial products and services.

In the United States, Merrill acts as a broker (*i.e.*, agent) for its private clients as well as its corporate and institutional clients. Through arrangements with financial firms and counterparties and through BofAS, Merrill has access to dealer markets in the purchase and sale of equity and debt securities traded on exchanges or in the over-the-counter markets. We also act as a broker and/or a dealer in the purchase

and sale of equities, mutual funds, corporate, municipal and governmental fixed income securities, options and OTC derivative transactions. Through BANA, Merrill provides access to banking services, including lending and cash sweep services.

Material Facts Relating to the Scope and Terms of Our Relationship with You

Capacity

All recommendations regarding your Brokerage Account and Brokerage Services will be made in our capacity as a broker-dealer. When we make such recommendations, we will refer to the Account number or title of the Account. As Merrill is both a broker dealer and a registered investment adviser, our financial advisors are able to use the term "Advisor" in their titles. If you enroll an Account in one of our investment advisory programs, we will act as investment advisor solely with respect to that account and not with respect to your Brokerage Accounts.

Material Fees and Costs

This section describes the material fees and costs that apply to your Brokerage Account, including as to transactions, holdings and the Account fees. You should discuss with a financial advisor the fees and costs that you will pay for particular transactions in your Account. You can access additional fee information by reviewing the [Merrill Explanation of Fees](#) and the [Merrill Edge Explanation of Fees](#). Offering Documents and/or Subscription Documents for securities and investment solutions also provide specific fee information. Information regarding fees affecting Accounts serviced by FSAs and MESD Accounts can be located at merrilledge.com/pricing.

Sales Charges. In connection with the purchase and sale of securities and other investments in your Account, you are charged commissions, markups, markdowns and other fees and costs for executing transactions (together, Sales Charges). The Sales Charges can be included in the price

of your security; for some transactions, they are added to the price of the securities you purchase, or they are deducted from the price of the securities you sell. For certain securities, you will receive trade confirmations, Offering Documents and/or Subscription Documents, which you should consult, for the Sales Charges that you pay or will pay. Please note the following:

- **Types of Sales Charges.** Sales Charges include (1) brokerage commissions and markups and markdowns; (2) underwriting discounts, selling concessions, placement fees and other applicable fees and charges for new issue offerings; (3) up-front and annual sales charges, including ongoing trailing fees paid on a periodic basis after the transaction (e.g., fees paid by a mutual fund under a Rule 12b-1 plan (12b-1 fees)); (4) commissions received from an issuing insurance company; and (5) other transaction charges. A description of the common types of Sales Charges and the ranges for the common types of transactions are provided in the chart below.
- **Determination of Sales Charges.** The Sales Charges for transactions in particular securities and investment solutions are determined by reference to various schedules, methodologies and pricing arrangements in effect from time to time and are subject to change. Where permitted, our financial advisors can discount or waive Sales Charges at their discretion. See the section "Fee Discounting and Waivers" below. In certain transactions, minimum Sales Charges will apply.
- **Use of Sales Charges.** Sales Charges compensate us and/or our Affiliates for the services provided to you in connection with transactions in your Account. A portion of the Sales Charges we receive is directly or indirectly used to pay compensation to our financial advisors.

The fee information in this Disclosure Statement and in the chart below does not cover every security, investment type or transaction. It does not cover every fee and cost that applies to your Account. Not every security type or transaction is available to you.

MFSAs and FSAs are not eligible to offer or execute trades for certain of the securities or investment solutions listed below.

Transaction Type	Sales Charge Information for Common Types of Transactions
New Issue Equity and Debt Offerings*	There is an underwriting discount included in the offering price (which is the price you pay) that varies based on the security. Underwriting discounts range from 0.05% to 7.00% depending on the new issue offering and type of securities being offered. The prospectus cover page will list the actual amount of the underwriting discount for the offering. Advisors receive as compensation a portion of the underwriting discount paid to Merrill for the new issue offering. *Covers equities, preferred securities, closed-end funds & fixed income securities
New Issue Brokered Certificates of Deposit Offerings	A placement fee is paid to us or our Affiliate for distributing new issue brokered CDs from the brokered CD issuer, the amount of which is included in the offering price (which is the price you pay). Placement fees range from 0.02%-0.30% of the principal amount of the brokered CD on an annualized basis, depending on the tenor.
New Issue Market-Linked Investment Offerings	There is an underwriting discount included in the offering price (which is the price you pay) that varies based on the tenor and type of the market-linked investment (MLI). The underwriting discount ranges from 1.50%-2.50%. The prospectus cover page will list the actual amount of the underwriting discount for the offering. Advisors receive as compensation a portion of the underwriting discount paid to Merrill for the new issue MLI offering. The economic terms of the MLI will also include a related structuring fee typically in the range of 0.50%-0.75%, which is retained by our Affiliate.
Secondary Market Transactions in Equities*	You pay a commission that is calculated based on the principal value of the security purchased or sold. The commission is in addition to the purchase price you pay or the sale price you receive for the security. The maximum commission that can be charged ranges from 0.50%-5.00%, depending on the principal amount of the transaction. *Covers listed equities, ETFs, closed-end funds and other equity securities
Secondary Market Transactions in Fixed Income Securities*	For purchases, you pay us a markup that is added to and included in the price of the security that you pay. For sales, a markdown is deducted from and included in the price of the security that you receive. Our markups range from 0.10%-2.00%, and our markdowns range from 0.00% to 0.50% (for over-the-counter preferred securities, the markdown is up to 1.00%). In addition, the price you pay (for purchases) or receive (for sales) also includes a dealer markup or markdown paid to our Affiliate (typically up to 1.00%) if the transaction is executed or facilitated by our Affiliate. The total markup or markdown depends on the specific fixed income security type, tenor and market conditions. *Covers Treasuries, agencies, municipals, corporate debt and certain preferred securities
Secondary Market Transactions in Market-Linked Investments	For purchases, you pay us a markup that is added to and included in the price of the MLI. For sales of an MLI, you do not pay us a markdown. In addition, the price you pay (for purchases) or receive (for sales) also includes a dealer markup or markdown paid to our Affiliate. Our markup on MLI purchases ranges from 0.50%-2.00% and the dealer markup or markdown is typically up to 1.00%. The total markup or markdown depends on the specific MLI and its tenor.
Unit Investment Trusts (UITs)	You pay the UIT offering price which includes a sales charge that varies based on the type of UIT and its tenor. For equity UITs, the sales charge is 1.85% for a 15-month UIT and 2.75% for a 24-month UIT. The fixed income UIT sales charge is between 2.50% to 3.50% and is based on the tenor of the UIT. From the sales charges you pay, we receive 1.25% for a 15-month equity UIT, 2.00% for a 24-month equity UIT and 1.60%-2.60% for a fixed income UIT.

Transaction Type	Sales Charge Information for Common Types of Transactions
Listed Options Contracts	You pay a commission that is calculated based on the principal value and the number of the listed option contracts purchased or sold. The commission is in addition to the purchase price you pay or the sale price you receive for the contract. Commissions range from 0.70%-15.00% of the principal value of the contracts, plus \$3.00-\$9.00 per contract. You also pay an additional transaction fee ranging from \$0.15 up to \$1,003 per transaction, determined based on the principal value and number of contracts purchased or sold.
Options Overlay Strategies	You pay us a transaction fee of \$1.00 per listed options contract purchased or sold as directed by the third-party investment manager to implement the strategy. See additional fee information in the "Indirect Fees and Charges" section below.
Mutual Funds	<p>Upfront Sales Charges: For mutual fund Class A shares, you pay an upfront "front-end" Sales Charge. At Merrill, we only typically permit purchases of Class A shares when the Sales Charge on the purchase amount is 3.5% or less (by prospectus) which is deducted from your investment at the time of your purchase. The amount of the Class A share Sales Charge depends on factors such as the size of the purchase and the fund's particular Sales Charge breakpoint schedule (which lowers the charge based on larger purchases or holdings), your eligibility for any other discounts or waivers and/or the asset class of the fund. There are no upfront Sales Charges for mutual fund Class C shares.</p> <p>Contingent Deferred Sales Charge (CDSC). For certain purchase amounts of Class A shares where no Sales Charge is imposed, you will pay a CDSC for any redemption you make within 12 months of the purchase date in an amount ranging from 0.25%-1.00% of the redemption amount. If you redeem your Class C Share within 12 to 18 months of the purchase date, you will typically pay a CDSC fee of 1.00%, which is deducted from the redemption proceeds.</p> <p>Annual or Trailing Sales Charges: Mutual funds have an annual asset-based fee or "12b-1 fee" paid out of the fund's assets that differ based on the share class. For mutual fund Class A shares, a 12b-1 fee is paid to us in addition to the upfront Class A share Sales Charge and is typically in the range of 0.20%-0.30% but in certain funds can be up to 0.50%. For mutual fund Class C shares where no upfront Sales Charge is paid, a 12b-1 fee is paid to us upon your initial purchase and annually thereafter. The mutual fund Class C share 12b-1 fees range from 0.50%-1.00%.</p>
Mutual Funds in ERISA Accounts*	<p>For mutual fund shares available in ERISA Accounts, you will not pay an upfront fee but an annual asset-based retirement group fee, which is typically a 12b-1 fee paid out of the fund's assets, is paid to us. The fee will differ based on the share class for which that ERISA Account is eligible. Retirement group fees are typically 0.25% for Class A shares and 0.50% for Class R Shares, in each case, for funds available in ERISA Accounts. A separate annual administrative service fee of up to 0.35%, which for certain funds is deducted from fund assets, is paid to us, with a fee range that is typically from 0.10%-0.20%.</p> <p><i>*ERISA Accounts are accounts (other than SEP, SIMPLE and BASIC Accounts), subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA).</i></p>
Money Market Funds	You will not pay an upfront fee. Money market funds, including those available for purchase in ERISA Accounts, have an annual asset-based administrative fee that is paid to us. The administrative fee ranges from 0.00%-0.50%. The money market funds available to certain Accounts as an automatic cash sweep option under our Cash Sweep Program typically include an annual 0.40% administrative service fee. Although some money market funds have an annual 12b-1 fee, those available for purchase in your Brokerage Account typically do not charge this fee.
Hedge Funds, Private Equity Funds and Non-traded REITs	You pay us a one-time placement fee. For hedge funds and NTRs, this fee is in addition to, and not deducted from, your hedge fund or NTR subscription amount. For private equity feeder funds, this fee is added to, and not deducted from, your private equity capital commitment amount. The placement fee is up to 2.00% for all hedge funds, NTRs and for those private equity funds made available on our platform on or after September 22, 2021. See additional fee information in the "Indirect Fees and Charges" below.
Exchange Funds	You pay us a selling commission (included in your subscription amount) of up to 1.50%. See additional fee information in the "Indirect Fees and Charges" section below.
Annuities	You pay fees for an annuity directly to the issuing insurance company, the amount of which depends on the annuity type and features you select. For variable annuities, the fees you pay are included in the annuity contract. For fixed rate, fixed indexed and income annuities, the fee is included through the crediting rates established by the issuing insurance company. Under selling agreements with the insurance company, we, through our Affiliates, receive compensation in the form of sales commissions from the insurance company and trailing payments. The first-year sales commissions range from 1.50%-4.00% and the trailing payments range is 0.00%-0.55%, in each case, depending on the type of annuity. The commissions are not an upfront sales charge and do not reduce your initial investment. For additional premiums added to contracts that were purchased prior to June 1, 2020, first-year sales commissions received from insurance companies range from 0.75%-5.25%, and trailing payments range from 0.00%-1.20%, in each case, depending on the type of annuity.
529 Plans	<p>Upfront Sales Charges. For investments in Merrill Omnibus 529 plans, you will not pay an upfront sales charge. The program unit class in which you will be invested is determined by your overall assets in a particular 529 plan: Class C units for investments of less than \$250,000 and Class A units for investments of \$250,000 or more. Class C units convert to Class A units 4 years from purchase. For certain purchase amounts of Class A units where no Sales Charge is imposed, you will pay a CDSC for any redemption you make within 12 months of the purchase date in an amount of 0.25% of the redemption amount.</p> <p>For investments in the various State 529 plans offered by Merrill, you pay an upfront Sales Charge of up to 5.25% for Class A Units. The actual amount of the Class A unit Sales Charge is based on the State 529 plan you select, the size of your investment in the plan, the plan's particular Sales Charge breakpoint schedule (which lowers the charge based on larger purchases or holdings), and your eligibility for any discounts or waivers. There are no upfront Sales Charges for Class C units but if the Class C units are withdrawn from the State 529 plan within 18 months of the purchase date, you will typically pay a CDSC fee of 1.00%. In many State Section 529 plans, Class C units convert to Class A units after a predetermined number of years set by the plan.</p> <p>Annual Portfolio Expenses. Each 529 plan investment portfolio has annual portfolio expenses paid out of the fund's assets that differ based on the share class. For Class A units you pay ongoing compensation of up to 0.25% of the average account assets and for Class C units, you pay ongoing compensation of up to 1.00% of the average account assets which decreases to a maximum of 0.25% upon conversion to Class A units.</p>

Not all of these security and other investment types, investment solutions or transactions are available for purchase in Accounts serviced by MFSAs or by FSAs. In addition, different sales charges for securities transactions apply in MESD accounts and not all security types and investment products or solutions are available. You may review applicable MESD fees and charges at www.merrilledge.com/pricing.

Indirect Fees and Charges. Certain securities and other investments have indirect fees, such as annual management, performance, administration, service and other asset-based fees that are typically part of the overall expenses of the security or other investment solution. Some or all of these indirect fees are, in turn, paid to us as part of our compensation to Advisors for offering, servicing and sales of the security or investment solution.

Examples of these indirect fees include the following:

- **Hedge Funds, Private Equity Funds and NTRs.** All hedge and private equity feeder funds which are available for purchase only by clients of Merrill or its affiliates (feeder funds) have an annual administration fee of up to 1.00%, of which we receive up to 0.875% in selling agent compensation. In addition, the third-party administrator of certain hedge feeder funds receives payments of a fixed dollar amount or a percentage of management fees (retrocession payments) from the underlying manager, which generally are paid to us as selling agent compensation. Hedge and private equity funds that are not feeder funds, as well as NTRs, have annual management, administrative, servicing and other asset based fees that are paid to the manager or its affiliates. Merrill generally receives a payment from the manager or its affiliates of up to 1.00% of the total amount invested or committed to be invested by Merrill clients. The exact percentage and method of calculation is disclosed in the Subscription Documents and/or Offering Documents for each fund. For certain hedge fund holdings which are no longer available for purchase, the retrocession fee is up to 4.00%.
- **Exchange Funds.** Exchange funds have annual advisory, management, administrative, servicing and other asset-based fees of between 0.85% and 0.98% that are paid to the exchange fund's manager. Of this fee, Merrill receives 0.25% annually of your investment in the fund as a servicing fee. The exchange fund's lead placement agent pays us an incentive payment of 1.00% of your subscription amount.
- **Options Overlay Strategies.** These strategies have an annual management fee of between 0.50% to 0.60% and an annual performance fee (that ranges from 0.00% to 10.00% of net profits), both of which are paid by you to the options overlay strategy manager. Of the annual management fee it receives, the manager pays us between 0.15% to 0.225% as a referral payment.

Over time, these indirect fees and the annual asset-based fees covered in the chart above will reduce the return on your investment and may cost you more than other types of investments.

Fee Discounting and Waivers. Where permitted, our Advisors can discount or waive Sales Charges at their discretion. The actual Sales Charges you pay and whether any discount or waiver is applied is determined by your Advisor and your individual circumstances and you may be charged a higher amount than other similarly situated clients. MFSAs and FSAs cannot discount or waive Sales Charges.

Other Transaction Costs and Miscellaneous Account and Service Fees. Certain transactions in securities incur additional fees and costs, including exchange, alternative trading system fees, required SEC fees or similar fees and transfer taxes. These per transaction fees vary from product to product. The purchase and sale of certain non-U.S. securities will have local country costs and fees, stamp taxes, foreign currency exchange or conversion fees and local broker fees. For transactions in foreign ordinary securities, there are markups, markdowns and dealer spread charges in connection with related foreign currency conversions, including in connection with ADRs.

Certain of these trading-related charges, currency conversion-related charges and other fees are included in the execution price for the security as a net price and are not 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.

Your Brokerage Account is subject to miscellaneous account and service fees as described in the [Merrill Schedule of Miscellaneous Account and Service Fees](#) when you work with an Advisor and in the [Merrill Edge](#)

[Schedule of Miscellaneous Account and Service Fees](#) when your work with an FSA and for MESD Accounts.

Margin Charges. If you use margin, you will pay interest, which varies. For more information regarding margin interest rates, please refer to your Agreement and/or the [Margin Truth-in-Lending Disclosure Statement](#).

Features of Securities and Investment Solutions

Certain securities and investment solutions provide access to similar investment strategies. For example, certain indexed mutual funds may provide an investment approach that is substantially similar to that provided by certain ETFs and there may be an actively managed ETF that provides a substantially similar investment approach to that provided by a mutual fund. However, different types of securities and investment solutions have different and unique features associated with them, as well as different fees. You should discuss these different features and fees with your financial advisor.

Type and Scope of Brokerage Services

The type and scope of services provided in connection with your Brokerage Account are described in your Agreement. You will work with your Advisor, MFSAs or an FSA, as the case may be, who can provide you brokerage services and make recommendations based on a variety of factors, including your age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs and risk tolerance (Investment Profile).

Account Types

We offer a variety of types of Brokerage Accounts for retail investors. The [List of Account Types](#) provides an overview of our primary retail accounts and can be reviewed at [ml.com/relationships](#) or at [merrilledge.com/relationships](#). Your financial advisor can provide you with further information upon request.

Brokerage Services

We provide the following Brokerage Services:

- **Investment recommendations.** We provide investment recommendations to you regarding securities or investment strategies involving securities from time to time. When we make a recommendation to you, it must be in your best interest at the time it is made in light of, among other things, your Investment Profile.
- **Unsolicited transactions.** You are permitted to disregard our recommendations or otherwise make your own investment decisions and to ask your financial advisor to execute transactions other than those we recommend to you. Your purchases and sales of securities that are not recommended by us are not subject to Regulation Best Interest and can cause your Account to perform in a way that is inconsistent with our recommendations.
- **Transaction execution.** We execute transactions at your direction subject to availability and our policies and procedures. We execute transactions consistent with our best execution obligation.
- **Investment solutions and information.** We review the securities and other investments that we recommend to you, and we make available investment and market education, research and guidance.
- **Cash Sweep Program.** Your Agreement allows you to have uninvested cash balances in your Account automatically deposited (or "swept") to bank deposit accounts of our bank Affiliates or, if permitted under the terms of your Agreement, invested in a money market fund under the cash sweep program attributable to your Account type (together, Cash Sweep Program). Your sweep options vary depending on your Account type as described in the [About the Merrill Lynch Bank Deposit Program](#), the [Sweep Program Guide](#) and your Agreement.

- **Margin Lending.** Your Account (other than a Retirement Account) will be a margin account unless you request a cash account. As disclosed in your Agreement, if you use margin lending to purchase securities, the collateral for the margin debt are the assets in your Account. The costs, risks and other features and conditions of margin and other types of securities-based lending are more fully described in your Agreement and the [Margin Truth-in-Lending Disclosure Statement](#).
- **Custody.** We provide custody services for your Account, except for certain securities, such as annuities or hedge funds. We hold securities in a location subject to applicable law. For further information, please refer to your Agreement.

Our Brokerage Services do **NOT** include the following services:

- **Investment advisory services.** Although we can provide you with investment recommendations and related advice that is incidental to brokerage transactions executed in your Account, we do not provide on-going investment recommendations or advice for transactions in your Account. We do not act in the capacity of an investment adviser for your Account. As an alternative, or in addition to Brokerage Services, you can enroll Accounts into our investment advisory programs where you will receive investment advisory services as outlined in a separate agreement. The [Client Relationship Summary](#) (Form CRS) has additional information about our investment advisory programs.
- **No ongoing monitoring.** From time to time, we may voluntarily review the holdings in your Account for the purposes of determining whether to make a recommendation to you. *For purposes of Regulation Best Interest, however, we do not provide an ongoing monitoring service or monitor your Account and Regulation Best Interest does not require us to do so.*
- **Discretionary authority.** We have no discretionary authority over your Account and can only purchase or sell securities or investment strategies that you authorize. This means that you make all decisions for your Account.

Account Minimums

We impose account minimums only for Brokerage Accounts that are Cash Management Accounts (CMAs). For CMAs, a minimum of \$20,000 in any combination of cash and securities is required to establish the CMA (or \$2,000 for a CMA subaccount). For more information on account minimums, please refer to your Agreement.

Material Limitations

General. We make available to our clients, at our discretion and based on our due diligence and other reviews, a wide range of securities and investment strategies. We choose to recommend products from a limited number of issuers or sponsors of annuities (variable and fixed), insurance, UITs, closed-end funds, options overlay strategies, exchange funds, hedge funds, private equity funds, NTRs, other co-mingled investment vehicles and MLI's, in each case that are based on quantitative and qualitative factors that we determine. In addition, we only recommend products or services for which we earn compensation and that meet other of our requirements and qualifications. Even with these requirements and restrictions, we are of the view that we offer a wide array of investment products from a number of product providers.

The conflicts of interest related to these material limitations and compensation are discussed in the section "Material Facts About Conflicts of Interest." We have in place reviews and various policies and procedures reasonably designed to prevent the material limitations outlined below and other business arrangements from affecting the nature of the advice we and our financial advisors provide. The following are arrangements and requirements that are "material limitations."

New Issue Offerings and Brokered CDs. We only offer and recommend securities that are part of a public or private offering in which BofAS is part of the underwriting syndicate or selling group or has otherwise been engaged by the issuer as placement agent or in a similar capacity to offer and sell the securities. As an integral part of any new issue offering, BofAS serves as an underwriter or placement agent under the federal securities

laws for the transactions it participates in and performs pricing, due diligence and allocation functions as part of the offering. Similarly, we only offer and recommend brokered CDs of third-party depository institutions if they are sourced by BofAS as placement agent.

Market-Linked Investments. We only offer and recommend MLIs that we or our Affiliates have structured and make available in offerings in which BofAS has been engaged as an underwriter by the MLI issuer. The issuers of the MLIs are financial institutions and other entities that are subject to due diligence reviews. In addition, we only offer MLIs that are subject to our pricing and structuring methodologies and processes.

Unit Investment Trusts. We only offer and recommend UITs from a limited number of UIT sponsors based on our due diligence and other reviews.

Options Overlay Strategies and Exchange Funds. We only offer and recommend option overlay strategies and exchange fund offerings of third-party investment managers that pay us compensation. The compensation takes the form of solicitation and referral fees, as well as servicing fees.

OTC Derivative Transactions. An OTC derivative transaction is a bilateral, arms-length contract between two parties. We only offer the ability to enter into OTC derivative transactions with one of our Affiliates that acts as a derivative counterparty.

Mutual Fund Distribution, Service and Marketing Support and Retirement Service Fees. For Brokerage Accounts, we only offer and recommend mutual funds, money market funds, and offshore mutual funds and money market funds (Offshore Funds) where we receive 12b-1 fees, service fees, marketing support and/or retirement services fees. We require 12b-1 fees because they are part of the compensation that we pay to our Advisors for their efforts in reviewing and discussing the mutual fund with you and for the execution of the mutual fund transaction for your Brokerage Account. MFSAs and FSAs do not receive 12b-1 fees as they are compensated differently than Advisors.

The marketing support and retirement service fees are used to support and compensate us for the services we provide to our financial advisors, the services provided to the third-party fund sponsors and distributors, ongoing maintenance of information, and due diligence relating to these types of fund products. The marketing support and retirement service fees are not paid to our financial advisors. Mutual funds, money market funds and Offshore Funds that would otherwise meet our criteria for inclusion on our product platform will not be available for purchase in your Account if we are not paid these fees. These services are described more fully in the "Material Facts About Conflicts of Interest" section.

Hedge Fund, Private Equity Fund and NTR Distribution Fees and Service Fees. We only offer and recommend hedge funds, private equity funds and NTRs where we receive distribution fees from the fund administrator, manager or their affiliates. The percentage and method of calculation of the distribution fees paid to us from the fund administrator, manager or their affiliates are disclosed in the Subscription Documents and/or Offering Documents for each fund. Certain hedge funds, private equity funds and NTRs that would otherwise meet our criteria for inclusion on our product platform will not be available for purchase in your Account if the distribution fees are not paid to us.

Sub-Accounting Services Payments. We only offer and recommend mutual funds, mutual fund share classes, money market funds, Offshore Funds and 529 plans that retain and/or pay us to provide necessary sub-accounting and other services such as recordkeeping, processing, reporting and dividend reinvestment in connection with fund transactions (sub-accounting services).

Cash Sweep Program. We make available Account types that, under the Account Agreements, permit funds to only be "swept" to bank deposit accounts at our bank Affiliates. Clients have the option to choose the "No Sweep" option and not have cash in their Accounts be 'swept' to any available cash sweep vehicle. The "No Sweep" option is not available to certain types of accounts, like Retirement Accounts.

Allocation of Equity Initial Public Offerings (IPOs). We allocate investment opportunities in equity IPOs among eligible Brokerage Accounts in a manner we determine appropriate. Given the limited

availability and size of these offerings and shares available to us to allocate, there is a very limited opportunity for our brokerage clients to invest in such offerings and, if they do, clients generally receive smaller allocations than they requested. Accordingly, you, along with other Brokerage Account clients, should not have any expectation that you will have access to equity IPOs or will receive an allocation to any particular offering. There will be instances where certain Accounts receive an allocation while other Accounts (including similarly situated Accounts) do not. Preferential allocations will be given to certain clients based on a number of different factors. In addition, Advisors can choose not to offer participation in IPOs for any clients, or they may offer participation to only a small group of clients.

General Basis for Recommendations

The general basis for our and our financial advisors' recommendations (i.e., what might be described as an investment approach, philosophy or strategy) is providing access to, and choice of securities and other investments that meet our clients' needs based on their Investment Profiles and goals, among other considerations. Our process also involves a due diligence process that evaluates whether securities and other investments are in the best interest of at least some of our customers generally.

We do not impose any specific investment approach, philosophy or strategy on our financial advisors. We assist them by making available:

- Securities research and guidance prepared by BofA Global Research.
- Due diligence information prepared by the due diligence team within our Chief Investment Office.
- Information and assistance from other Merrill internal specialists and support teams as well as specialists and support teams from BANA and BofAS.
- Information from selected third-party research providers and other resources.
- Training and educational resources on investment products and solutions.

Material Risks Associated with Investments and Brokerage Recommendations

While we will take reasonable care in developing and making recommendations to you, securities involve risk and you may lose money. There is no guarantee that you will meet your investment goals or that our recommended investment strategy will perform as anticipated. Please consult any available Offering Documents for any security that is recommended to you for a discussion of risks associated with the product. We can provide those documents to you or help you to find them.

General Risks Associated with Investments in Your Account. All investments involve risk, the degree of which varies significantly. Investment performance can never be predicted or guaranteed, and the value of your Account will fluctuate due to market conditions and other factors. Investments that we recommend and actions that we take to execute transactions for your Account are subject to various market, liquidity, currency, economic, geographic and political risks and are not necessarily profitable. You assume the risks of investing in securities and other investments and you could lose all or a portion of their value.

Lack of Diversification. We typically recommend that clients diversify their investments across multiple asset classes, issuers, sectors and industries to reduce the additional investment risk frequently associated with concentrated investments. You should understand that the decreased diversification resulting from holding concentrated positions in a single security, sector or asset class typically results in increased risk and volatility, which can result in losses.

Product Level Risks. Please consult the offering documents for any security we recommend for a discussion of risks associated with the security. If you cannot find these documents, please ask your Advisor or your MFSA or an FSA, as the case may be, to provide them or to help you find them.

Standard of Conduct

Under Regulation Best Interest, when we make recommendations to you in our capacity as a broker-dealer regarding securities transactions or investment strategies involving securities (including Account recommendations), we must act in your best interest at the time the recommendation is made. This means we cannot place our or a financial advisor's financial or other interests ahead, of yours. In addition, for retirement accounts, we acknowledge that, effective February 1, 2022, we are acting as a fiduciary under Title I of ERISA and/or Section 4975 of the Internal Revenue Code (Code) in our capacity as a broker-dealer when we provide investment advice and make recommendations to you regarding securities or investment strategies (including as to rollovers and Account types). This Disclosure Statement provides a description of services and information relating to our costs and fees, compensation earned and material conflicts of interest as required under ERISA and the Code.

Our recommendations are based on, among other things, your Investment Profile and other information that you provide to us. Our duty to act in your best interest when making a securities recommendation in your Brokerage Account relates solely to our obligation under Regulation Best Interest and, in addition, for retirement accounts, under ERISA or the Code, as applicable.

Material Facts About Conflicts of Interest

We have material conflicts with your interests, including the way we make money, among other things. This Disclosure Statement describes these conflicts and the following section discusses material facts about conflicts of interest associated with our recommendations. We provide you additional information about these conflicts in trade confirmations, Offering Documents, Subscription Documents and other materials.

Compensation of our Financial Advisors

Generally, we have a conflict of interest when we recommend an account, security transaction or investment strategy where we expect to earn greater compensation over another account, security transaction or investment strategy. We (including our Affiliates) and your financial advisor (whether an Advisor, MFSA or an FSA, as the case may be) and other of our employees benefit from the fees and charges paid by you and other clients for Brokerage Services. The amount of compensation earned by us and/or our financial advisors (depending on the compensation approach taken for that financial advisor as described below) also varies depending on the type of brokerage relationship you have with us, and the investment products in which you transact. These differences create a conflict of interest in that there is a financial incentive for your financial advisor to recommend or select investment products or to offer certain investment advisory programs, services or products based on the nature of the compensation we and/or they receive.

Advisor Compensation. We pay Advisors a salary and incentive compensation that is based on what we receive, including the Sales Charges you pay and the indirect compensation from third parties or Affiliates. Advisors receive compensation on each transaction that you do in a Brokerage Account. Opening a Brokerage Account and engaging in transactions generates Sales Charges that result in revenues to us and compensation to our Advisors. The more trades that you make in your Account, the more we and/or your Advisor get paid, giving us a financial incentive to encourage transactions in your Account.

Your Advisor is also eligible to receive awards from participating in incentive and recognition programs that are based on total production, total revenue, length of service, total assets in accounts that he or she services, and such other criteria as Merrill may establish from time to time. The relevant participation criteria are measured across multiple securities and other investment products and services offered by Merrill and have been designed and implemented to mitigate any incentive or conflict to favor any one security type or investment product or service.

Advisors who join Merrill from other firms generally receive payments in connection with that move. These payments may take various forms, including salary guarantees, upfront bonuses or forgivable loans, and

various forms of compensation contingent on their continued employment. The amount paid to Advisors under these arrangements generally is based to a large extent on the size of the business at their prior firm. In addition, they typically are eligible for future bonus payments based on the total assets in the accounts that they service at Merrill and/or revenue generated from those accounts at some defined point in the future. These bonuses are in addition to the incentive compensation to which they are otherwise entitled as Advisors.

We determine Advisor compensation based on the experience of the person, the time and complexity required to meet clients' needs, the products sold and product Sales Charges, other factors such as client and asset acquisition and the revenue we earn.

Approach to Compensation for MFSA's and FSA's. We compensate MFSA's and FSA's differently than we do Advisors who service clients with a full service Merrill Account. MFSA's and FSA's receive a salary and incentive compensation. Incentive compensation is paid based on meeting certain performance objectives, such as the number of accounts and total assets serviced by the MFSA or FSA. Additionally, MFSA's and FSA's may be compensated for meeting certain asset-based growth awards.

Variable Compensation by Product and Service. The Sales Charges paid to us, as well as any indirect compensation we receive, vary based on the type of security and the investment product itself. Depending on the type of security or investment product, third-party product providers, including fund managers or sponsors, asset managers and insurance companies and their affiliates, pay us compensation, including compensation over time (*i.e.*, a trailing fee). These payments also vary depending on the type of security or investment product. We pay Advisors a portion of the Sales Charges and a portion of certain of the indirect compensation we receive. MFSA's and FSA's do not receive transaction-based compensation. These payments also vary, including among products that have substantially similar strategies (*i.e.*, certain indexed mutual funds and ETFs or certain active ETFs and mutual funds).

The variable nature of Sales Charges and third-party payments create a conflict of interest because we and your Advisors are incentivized to recommend products for which we earn greater compensation rather than other alternatives. For example, compensation from annuities varies by annuity type, which incentivizes us to recommend an annuity that pays us more. In addition, we receive certain payments from mutual fund providers when a mutual fund is used to provide exposure to the investment strategy, like sub-accounting fees and marketing support payments discussed in this section below. Not all securities and investment products make such payments to us or our Affiliates. The variable nature of third-party payments creates a conflict of interest because we are incentivized to recommend products for which we earn greater compensation rather than other alternatives.

For additional information, please review the section "Compensation Received by Us and our Affiliates" under various headings below. You can also review our [Mutual Fund Investing at Merrill](#) and [Offshore Mutual Fund Investing at Merrill Lynch](#) documents, available at ml.com/funds and from your financial advisor upon request.

Recommending a Brokerage Account or an Investment Advisory Relationship. A recommendation of the type of account relationship creates a conflict of interest for us and your Advisor. The amount of compensation we and our Advisors receive depends on the level of trading activity in the Account and the applicable Sales Charges and other indirect compensation.

Depending on these and other factors, you could pay higher fees in a Brokerage Account than from one enrolled in one of our IA Programs, where we receive an annual asset-based fee. By contrast, if the trading activity in your Brokerage Account is limited, your Advisor has a financial incentive to recommend that you enroll in one of the IA Programs because we and your Advisor could earn greater compensation from the annual asset-based fee. Although MFSA's and FSA's are not compensated based on a portion of the IA Program fees that Merrill receives, MFSA's and FSA's have a financial incentive to recommend enrollment in an IA Program to meet their performance goals.

Rollover Recommendation to an Individual Retirement Account. Financial advisors have a financial incentive to recommend rolling over

assets from an employer-sponsored retirement plan (such as a 401(k) plan) into an Individual Retirement Account (IRA) or other similar account receive compensation based on the amount of funds transferred. We and our financial advisors also have a financial incentive to recommend a rollover because transactions in the rollover IRA will generate Sales Charges and other compensation.

529 Plan Compensation. A variety of 529 plans are available for purchase in a Brokerage Account. The compensation we and our financial advisors receive varies based on the plan and the unit class you purchase.

Compensation Received by Us and our Affiliates

Affiliated Products. Our financial advisors may recommend that you use our securities account, execution and custody or other services for other of your investment activities or utilize the services of an Affiliate. Similarly, they may suggest or recommend that you purchase our products or our Affiliates' products. Where you use or purchase Merrill's or our Affiliate's services or products, we and our Affiliates will receive fees and compensation. Our financial advisors will, as permitted by applicable law, receive compensation (the amount of which varies) in connection with these products and services. This represents a conflict of interest.

Principal Trading and Agency Cross Transactions. We execute certain transactions on a principal basis. Transactions that we conduct on a principal basis include all of our new issue equity and debt securities offerings (including MLI offerings) where we, or our Affiliates (including BofAS), act as an underwriter, selling group member or placement agent. We may execute secondary transactions in fixed income securities on a principal basis where we or our Affiliates act as a dealer. In addition, our Affiliates can act in a principal capacity when we execute transactions for your Account. In a principal capacity, our Affiliates act as your counterparty in OTC derivatives transactions and they can act as market makers for, or have proprietary positions in, the securities you buy or sell.

We and our Affiliates receive compensation in connection with principal transactions, including markups, markdowns, underwriting discounts, selling concessions, dealer spreads and other compensation. We and our Affiliates profit from transacting as your counterparty or having proprietary positions in securities you buy or sell. Moreover, we have an incentive to recommend a transaction in a security that our Affiliate maintains in its inventory that is otherwise difficult to sell. This represents a conflicts of interest.

When executing sales of municipal securities in secondary market transactions, our Affiliate may seek bid prices from third-party dealers in a process known as a Bid Wanted in Competition (BWIC) and, if the third-party dealer has the highest bid price, our Affiliate charges a markdown in the form of a dealer spread for its services for acting as an intermediary in facilitating the transaction. Our Affiliate may itself submit bid prices for municipal securities in BWICs and also has the right to submit its bid last and match or improve upon the prices submitted by third-party dealers, consistent with obligations to provide best execution and fair and reasonable prices. If our Affiliate is the winning bidder, it will not charge the customer a dealer spread. In determining the winning bid for a municipal securities transaction, our Affiliate compares its own price (if it submitted a bid) against all prices received from third parties in BWICs on a net basis (*i.e.*, by subtracting its expected dealer spread from third-party bid prices only). There may be situations where the third-party dealer submitted a bid in the BWIC that was higher than our Affiliate's bid, but the third-party dealer did not win the BWIC because our Affiliate's dealer spread was deducted from their bid price in calculating the highest bid. These situations give rise to a conflict of interest because our Affiliate can profit if and when it resells the securities from its inventory.

Except where not permitted by regulation, we engage in agency cross transactions when we act as agent for both buyer and seller in a transaction. Since we generally receive compensation from each party to an agency cross transaction, there is a conflict of interest between our obligations to you and to the other party to the transaction.

Cash Sweep Program. If you hold cash balances in your Account, our bank Affiliates benefit financially when your cash is "swept" to and held in

affiliated bank deposit accounts under our Cash Sweep Program. As described in your Agreement, certain eligible Accounts have the ability to elect the “No-Sweep” option or to have cash swept into money market funds.

Cash swept into bank deposit accounts of bank Affiliates under the Cash Sweep Program benefits our bank Affiliates because they use these bank deposits to fund their lending, investment and other business activities. Their profitability is determined, in large part, by the difference between the interest paid on the bank deposits and the interest or other income earned on loans, investments and other assets which may be funded in part by bank deposits. In addition, the bank Affiliates determine the interest rate paid to depositors in the Cash Sweep Program.

Cash balances swept to a bank deposit account at one or more of our bank Affiliates will be placed in a bank deposit account bearing a reasonable rate of interest that has been established for, and in light of the features of, the Cash Sweep Program. The interest rate paid to you by our bank Affiliates on such deposits will likely be lower than the interest rates available on other bank deposit type accounts at the bank Affiliates or on comparable bank deposit accounts at other banks. Generally, the rate you earn in the bank deposit account through the Cash Sweep Program will be lower than yields on cash alternatives, such as money market funds, that are available to you for investment outside of the Cash Sweep Program. The greater the amount of the cash balance maintained in your Account (which could be as a result of a recommendation from your financial advisor) that is swept into a Cash Sweep Program bank deposit account and the lower the interest rate paid on the deposit, the more our bank Affiliates benefit.

We have a conflict in connection with Accounts that are eligible for, and that elect, a money market fund sweep option, because we receive compensation for providing infrastructure, marketing support, sub-accounting or other services related to the use of the money market fund sweep option. If you choose the “No Sweep” option, we also benefit from the custody or use of uninvested cash balances in your Account. For more information, please refer to the [Sweep Program Guide](#); [About the Merrill Lynch Bank Deposit Program](#); [Mutual Fund Investing at Merrill](#); and your Agreement.

As a registered broker-dealer, Merrill also benefits from the possession or use of any free credit balances in your Accounts, subject to restrictions imposed by federal securities laws and regulations.

New Issue Offerings. We have conflicts of interest when one of our Affiliates act as an issuer, placement agent, underwriter, dealer or structurer or otherwise have a financial interest. We and our Affiliates are compensated in connection with new issue offerings and we have an incentive to recommend these transactions to you. When BofAS is part of the underwriting syndicate or selling group, or has otherwise been engaged by the issuer as placement agent or in a similar capacity to offer and sell the securities, BofAS is compensated when you purchase securities we recommend. A portion of the underwriting compensation or placement fees that BofAS receives is used to compensate us and our Advisors for our efforts relating to the sale of the product. From time to time, certain securities, including MLIs and brokered CDs, that we make available and recommend in new issue offerings are issued by BofA Corp., BANA or our Affiliates.

Closed-End Funds. We and our Affiliates can receive underwriting compensation as part of an underwriting syndicate or selling group for new issue closed-end fund offerings. In addition, an investment manager for a fund can pay us a structuring fee that ranges from 0.50% to 2.00% for advice relating to the structure, design and organization of the fund, as well as services related to the sale and distribution of fund shares. Where we or our Affiliates act as part of the underwriting syndicate or selling group for a closed-end fund that we recommend, we can receive additional compensation from the fund’s investment manager for services the investment manager can request from us, such as after-market support services or information pertaining to industry trends.

Market-Linked Investments. MLIs are unsecured debt securities issued by third parties or by our Affiliates. MLIs are available in new issue offerings where BofAS acts as an underwriter and receives compensation. In addition, the public offering price (which is the price you pay) for an MLI includes compensation to us and BofAS for structuring and distributing the

MLI. It also includes an estimated profit credited to our Affiliate from hedging arrangements by the issuer of the MLI, which reduces the economic terms of the MLI to you.

OTC Derivative Transactions. In OTC derivative transactions, you will enter into a derivative contract with one of our Affiliates. There is an embedded charge with respect to the transaction, which includes compensation in the form of anticipated hedging-related profits to our Affiliate. Activities of our Affiliates can influence or otherwise affect the price or value of underlying assets on which the transaction is based, the price or value of the OTC derivative contract or the payments and/or deliveries under the contract. An OTC derivative transaction can result in a loss to you and a gain to our Affiliate.

Sub-Accounting Services and Affiliate Compensation. As stated in the “Material Limitations” section above, we only recommend mutual funds, mutual fund share classes, money market funds, Offshore Funds and fund securities held through 529 plans that retain and/or pay us for providing sub-accounting and other related services. These services include aggregating and processing purchases, redemptions, exchanges, dividend reinvestment, consolidated account statements, tax reporting, and other related processing and recordkeeping services. Daily sub-accounting services are provided to holders of funds and other investment products that maintain their holdings in Brokerage Accounts and other accounts at Merrill for the agreed-upon fee for sub-accounting services. This cost is either borne by the fund (like other fund expenses) as part of its operating costs or by its adviser, principal underwriter or other agent.

Depending on the specific agreements relating to the particular mutual fund, we receive sub-accounting fees of either up to 0.10% per annum of the value of mutual fund shares held in an Account with us or up to \$16 annually for each client position in the mutual fund. The fee for money market funds, including those available in ERISA Accounts and offshore money market funds, is generally 0.005% per annum.

For Offshore Funds, we and our Affiliates perform similar distribution, marketing, shareholder servicing, sub-accounting and related services for which the Offshore Fund’s distributor or other service provider pays asset-based compensation in the form of an annual bundled fee of up to 0.75% for no-load shares and up to 1.45% for front load shares of offshore mutual funds.

For mutual fund and certain money market funds shares in ERISA Accounts, we receive between 0.10% and 0.26% annually of the value of fund shares or \$16 annually for each participant position. These fees and fee rates are subject to change and can be received individually or as part of a “bundled” arrangement with a mutual fund that includes other types of fees, such as administration and distribution payments.

With respect to 529 portfolio positions held in a 529 account at Merrill, depending on the specific arrangement and the 529 program manager’s election, we receive fees based on either (1) a percentage of the value of unit classes held in a 529 account with us, up to 0.15% annually or (2) a per position dollar amount, up to \$19 annually for each position.

We have a conflict of interest in selecting certain mutual fund products (or share classes), money market funds and Offshore Funds as well as other investment solutions for inclusion as part of our product offering available to you. Certain of these fund products and other investment solutions that would otherwise meet our criteria for inclusion as part of our investment offering but whose principal underwriters, agents or sponsors do not agree to pay the sub-accounting or similar fees for these services we provide will not be available for purchase in your Account. In addition, the amount of the fees paid to us for these services varies among mutual funds and, in certain instances, between share classes of individual mutual funds. This is 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 fund families that have higher fund assets held in our clients’ accounts as the service fee calculation is based off of the level of the asset holdings. Additionally, we benefit financially because the aggregate amount of the sub-accounting fees exceed the costs to provide these services.

Sales of Mutual Funds and Compensation

General. For mutual funds available on our platform, we do not always offer you the share class with the lowest possible expense ratio of the mutual fund provider. It is generally in your best interest to purchase lower-fee share classes because your returns are not reduced in whole or in part by additional fees and expenses. For more information, please refer to [Mutual Fund Investing at Merrill](#).

Certain funds or share classes that would otherwise meet our criteria for inclusion in our product platform will not be available for purchase in your Account if the principal underwriters, agents or sponsors do not pay us 12b-1 fees, marketing support service fees and/or service fees.

12b-1 Fees. The 12b-1 fees vary among mutual funds and, in certain instances, between share classes of individual funds. We therefore receive higher 12b-1 fee payments from some fund families than others. In addition, we pay a portion of our Advisors' compensation from the 12b-1 fees we receive. This is a conflict of interest because it creates an incentive for us and our Advisors to recommend that you invest in mutual funds and share classes that pay us or our Advisors higher fees.

In addition, we only offer and recommend mutual funds in Brokerage Accounts that pay us 12b-1 fees. We do this because the 12b-1 fees that are charged as part of the expenses of the mutual fund share class form a part of the compensation that we pay to our Advisors for their efforts in reviewing and discussing the mutual fund with you and for the execution of the mutual fund transaction for your Brokerage Account.

Given this selection criteria, we have a conflict of interest in selecting certain funds and share classes for inclusion as part of our product offering available to you over others.

Marketing Support for Mutual Funds, Money Market Funds and 529 Plan Programs. For Brokerage Accounts, we only recommend or select mutual funds, mutual fund share classes, money market funds and Offshore Funds from fund families that pay us marketing support payments. Merrill provides a variety of distribution, marketing services and other support to fund managers of mutual funds that are available through Merrill. These services include: (1) providing our Advisors access to a specialist support desk and with work stations that include information, announcements, data, and tools relating to the fund; (2) conducting ongoing review and communications of features and changes to these products; (3) offering strategic planning support intended to assist fund managers with strategies that are aligned with Merrill's investment themes and goals; (4) providing sales related reports and other information; (5) providing branch office support and facilities and personnel support for fund; and (6) preparing and/or supplying program descriptions, related prospectuses and marketing and other materials.

The typical marketing support payments made to us from mutual fund sponsors are as follows:

- Mutual funds — 0.25% on a portion of mutual fund purchases and 0.10% on a portion of mutual fund assets on an annual basis.
- Money market funds (including those eligible for ERISA Accounts) — up to 0.10% annually of the value of money market funds shares.
- Offshore Funds — fee is included in the bundled fee described above in the section "Conflicts Regarding Sub-Accounting Services."
- Offshore money market funds — up to 0.10% from fund sponsors annually of the value of the money market fund shares.

We do not receive marketing support payments from mutual fund families for funds available to ERISA Accounts, but do receive administrative service fees up to 0.35% of assets invested in the funds.

Merrill receives compensation from 529 program managers and 529 investment managers for its distribution, marketing services and other support of generally up to 0.15% on a portion of Section 529 plan purchases and generally up to 0.10% annually on a portion of Section 529 plan assets.

The amount of compensation Merrill receives from mutual fund families or 529 program managers for marketing services and support may exceed the cost of the services provided in any given year. You should be aware that the amount of marketing support or service fees paid by the different mutual fund families and 529 program managers vary. We receive more fees from

some fund families or 529 program managers than we receive from others. A listing of mutual fund families and 529 program managers that paid us \$100,000 or more and the range of marketing support payments we receive as of the prior calendar year is available at [ml.com/funds](#).

Our financial advisors do not have an incentive to recommend certain mutual funds, money market funds or 529 plan programs that pay marketing support or service fees because they do not receive additional compensation as a result of these types of payments. However, for Offshore Funds, we pay our Advisors compensation from a portion of the bundled fee we receive.

We select the mutual funds and 529 plans to be available on our brokerage and advisory platforms based on qualitative and quantitative evaluation of such factors as performance, risk management policies and procedures and consistency of the execution of their strategy. We have adopted various policies and procedures reasonably designed to prevent the receipt of these payments and our other business arrangements from affecting the nature of the advice we provide. For additional information on mutual funds, money market funds and Offshore Funds, you can review our [Mutual Fund Investing at Merrill](#) and [Offshore Mutual Fund Investing at Merrill Lynch](#) documents, available at [ml.com/funds](#) and from your financial advisor upon request.

Compensation for Sales of Hedge Funds, Private Equity Funds and NTRs

We only offer and recommend hedge funds, private equity funds and NTRs where we receive distribution fees from the fund administrator, manager or their affiliates. For all feeder funds we make available to our clients, the administrator pays us out of its administrative fee an annual fee of up to 0.875% in selling agent compensation. In addition, the third-party administrator of certain hedge feeder funds receives payments of retrocessions from the underlying manager, up to 1.00% which generally are paid to us as selling agent compensation. For certain holdings that are no longer available for purchase, the retrocession fee is up to 4.00%.

In the case of a substantial majority of private equity feeder funds, we or our Affiliates have negotiated arrangements with the underlying fund or manager in which the feeder fund invests. Under these arrangements, we and our Affiliates receive compensation which is generally based on the capital commitments made by the feeder fund ranging from up to 3.00%. We also receive additional compensation from certain fund managers in the form of one time up-front payments or periodic flat fee payments (which generally do not exceed \$350,000). Among other things, our receipt of these payments: (1) offset or reduce our expenses associated with onboarding new hedge funds and private equity funds to our platform; (2) defray costs incurred in connection with, and in consideration of, certain marketing, operational and investor services; and (3) compensate us for the service of acting as the selling agent on behalf of certain of these funds.

In the relevant Offering Documents and/or Subscription Documents for the funds, you will find additional information about hedge funds, private equity funds and NTRs, including the percentage and method of calculation of distribution fees, retrocessions and other compensation that we receive. These arrangements, which vary among the hedge funds, private equity funds and NTRs on our platform, give rise to a conflict of interest in determining which funds to make available to our clients and recommending investments in certain funds over others.

We and our Affiliates select the hedge funds, private equity funds and NTRs and fund managers to be available in our brokerage and IA Program offerings based on qualitative and quantitative evaluation of such factors as performance, risk management policies and procedures and consistency of the execution of their strategy. We have adopted various policies and procedures reasonably designed to prevent the receipt of these payments and our other business arrangements from affecting the nature of the advice we provide.

Participation in Affiliated Loan Programs and Margin

There are conflicts of interest when we recommend that you use a loan secured by your Account assets as collateral. These conflicts exist with a margin loan from Merrill or with any of our Affiliate lending programs

that may be available to you from an Affiliate lender. Specifically, in the case of a margin loan, we receive interest payments on the margin loan, and your Advisor receives compensation based on a percentage of the loan revenue we receive on the margin loans. Likewise, 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. Your Advisor receives compensation based on a percentage of the loan revenue of the Affiliate lender for such loan. Advisors receive greater compensation the more you borrow under a margin or Affiliate lending program and they receive greater compensation if you are charged a higher interest rate.

The lender, whether it be Merrill or an Affiliate, has a lien on your Account assets that are used as collateral for the loan. The lender will act to protect itself as lender in connection with the loan, and this may be contrary to your interests and/or investment objectives. This lien 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 with a lender's lien rather than to another Account without such a 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 lender's collateral.

Furthermore, if you work with an Advisor, your Advisor is compensated based on a percentage of the revenue on the loan. This means your Advisor is compensated based on your borrowing under the lending program, rather than if you were to liquidate assets held in the Account to meet your funding needs. In addition, your Advisor will receive a reduction in compensation earned by recommending that you reduce your outstanding loan balance. Additionally, as explained in this Disclosure Statement, your Advisor will earn compensation from the sale, purchase, and/or management of securities that are used in an Account pledged as collateral for an Affiliate or margin loan.

Please review the [Margin Truth-in-Lending Disclosure Statement](#) and the [Securities-Based Loan Disclosure Statement](#) for more information.

Compensation for Sales of Certain Investments

The compensation we receive for sales of the investments described in this section below creates an incentive to recommend them to you and thus constitutes a conflict of interest.

Exchange Funds. The fund's lead placement agent pays us incentive compensation of 1.00% of your subscription amount. In addition, the fund's investment adviser pays us an annual servicing fee of 0.25% of your investment in the fund.

Options Overlay Strategies. From the annual management fee you pay to the investment manager, the investment manager pays us between 0.15% and 0.225% as a referral payment. Because we receive a portion of the annual management fee of investment managers, we have a conflict of interest in determining the investment managers whose strategies we offer on our platform.

Unit Investment Trusts. UIT sponsors pay us additional compensation based on the total volume of UIT sales we make ranging from 0.035% to 0.175%. This compensation is paid by the UIT sponsor and not from the assets of the UIT.

Referral Arrangements and Fees

Affiliate Referrals. Our financial advisors receive compensation when prospective clients are referred to them from employees of Merrill and our Affiliates as well as from other persons for brokerage and investment advisory services they provide. They also receive compensation for referring clients to our Affiliates for the provision of various financial services (including transaction execution and investment banking services) and products (including banking products), which varies by service and product. In addition, they may introduce fund and other investment product distributors, sponsors, service providers or their affiliates to other services that we, BofA Corp. and our Affiliates provide. This results in a conflict of interest because we are incentivized to introduce services that provide us or our Affiliates additional compensation. As permitted by

applicable law, our financial advisors receive compensation (the amount of which varies and can be significant) in connection with these recommendations and/or services.

Fees Earned on Cash Deposits. You may elect to deposit cash in a deposit account with a bank Affiliate. In addition, you may select a multi-bank deposit program that sweeps cash to deposit accounts at bank Affiliates and non-Affiliate banks and savings associations, depending on your eligibility. For deposits at bank Affiliates relating to referrals from a financial advisor, we receive a fee directly from each bank Affiliate based on the average daily deposit balance held by the bank Affiliate. The amount of the fee varies from time to time and varies based on the bank Affiliate. We may waive all or part of this fee. Other than the regular annual financial service fee applicable to your Account and the costs associated with the investment of cash in a money market fund cash sweep option, there will be no charge, fee or commission imposed with respect to your participation in any bank Affiliate program.

Compensation and Support from Third-Party Firms

Third-Party Firm Business Relationships. We and our Affiliates have business relationships with third-party investment managers, fund managers, distributors and sponsors as well as insurance companies and other product providers (Third-Party Firms). We or our Affiliates may effect transactions in the ordinary course of business for a mutual fund, hedge fund, NTR, or private equity (and if applicable, a portfolio company in which a private equity fund may hold an interest). We may also make available to them Brokerage Services and other Merrill or Affiliate programs. Third-Party Firms may direct their clients' transactions to us. We may also make available to them research, execution, custodial, pricing and other services in the normal course of business. Any compensation paid to us or our Affiliates is additional compensation to us for services we and our Affiliates provide to them.

Merrill has agreements with Third-Party Firms relating to the offering and distribution of Third-Party Firm investment products to our clients. Merrill works with Third-Party Firms to provide information to our financial advisors about investment products of Third-Party Firms that are available in a Brokerage Account or through our investment advisory programs.

Third-Party Firms' Cost Sharing for Training Events and Other Meetings. Certain Third-Party Firms periodically participate in Merrill-hosted internal training and education conferences for financial advisors and other personnel as well as in conferences that Merrill or an Affiliate hosts for clients (Training Events). Third-Party Firms electing to participate in a particular Training Event will share in the cost of the Training Event. The amount that a Third-Party Firm will contribute towards the expenses of a Training Event will vary depending on, among other things, the number of events in which a Third-Party Firm participates. There is no requirement that Third-Party Firms provide any such support or payments in order for us to make available their investment products to our clients. For 2021, the total support received from participating Third-Party Firms for these Training Events was approximately \$100,000.

In addition, certain Third-Party Firms periodically participate in meetings that provide our financial advisors and certain personnel with information on their platform of products and services and with the opportunity to interact with their management and investment personnel. They also may help to support client and prospect events, like seminars, trade shows and booth events and support charitable events through contributions. These meetings and events typically occur at a location determined by the Third-Party Firm or at our local branch offices. Certain Third-Party Firms share in the costs of these types of meetings and events, subject to a cost sharing cap. They are not permitted to pay for, or contribute to, the cost of travel, accommodation or continuing education administrative fees for participating financial advisors. For 2021, the total support from participating Third-Party Firms for these types of meetings and events was approximately \$640,000.

The participation of, and the cost sharing by, a Third-Party Firm in Training Events and other meetings and events is not dependent or related to the amount of assets invested by you or any other of our clients in or with the products or services of the particular Third-Party

Firm. Neither we, nor our Affiliates, incentivize financial advisors to recommend the products and services of a Third-Party Firm that contributes to these Training Events and other meetings over those that do not. Further, Third-Party Firms are not permitted to condition their payment on any amount of sales of their products or services. However, those that participate in Training Events and other meetings have more opportunities to interact and build relationships with financial advisors and employees which creates a conflict of interest to the extent this leads them to recommend the products and services of these Third- Party Firms.

Gifts, Meals and Entertainment and Third-Party Firm Office Access.

We have adopted a policy that restricts Third-Party Firm representatives from providing, and financial advisors from receiving, gifts, meals and entertainment, other than items of a promotional nature related to the Third-Party Firm (i.e., logo items, like golf balls, hats). Representatives of Third-Party Firms will, from time to time, meet and work with financial advisors and other of our representatives to provide information and support regarding their respective investment products. The Third-Party Firms are not permitted to condition their office visits or promotional gift on any amount of sales of their investment products and Merrill does not incentivize financial advisors to recommend or select one investment product over another.

Provision of Diversified Financial Services by Us and our Affiliates

BofA Corp. is a diversified financial services company that generally provides through us and our Affiliates a wide range of services to retail and institutional clients for which it receives compensation. As a result, we, BofA Corp. and our Affiliates can be expected to pursue additional business opportunities with the entities whose investments we and our financial advisors recommend to you. 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, licensing arrangements involving indices, and effecting portfolio securities transactions for customers.

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.

Payments for Order Flow, Order Routing and Rebates

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

We directly or indirectly (through our Affiliates) also participate in the options order flow programs sponsored by options exchanges, such as the NYSE American Options, NYSE Arca Options, Cboe options and Nasdaq options exchanges. These exchange-sponsored programs offer payments for listed option orders that are directed to such options markets. The rebates and payments from these third parties vary depending on the order and the exchange to which orders are directed and create a conflict of interest because we are incentivized to recommend transactions that provide us with greater rebates or payments from these exchanges.

Activity by Merrill, its Personnel, Affiliates and Related Companies

From time to time in the course of our and our Affiliates' business dealings, confidential information is acquired that cannot be divulged or acted upon for clients. Similarly, we and our Affiliates can give advice or take action with regard to certain clients that differs from that given or taken with regard to other clients. In some instances, the actions taken by Affiliates for similar services and programs conflicts with the actions taken by us. This is due to, among other things, the differing nature of the Affiliate's service and differing processes and criteria upon which determinations are made.

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 make recommendations to you regarding securities issued by that shareholder or its affiliates may be limited.

INFORMATIONAL RESOURCE LIBRARY

Please visit ml.com/relationships and merrilledge.com where you can find the following additional documents and learn more about investing at Merrill. Depending on your electronic access method, you may be able to access these specific documents by clicking on the links below or in the Disclosure Statement.

- [Form CRS](#)
- [Summary of Programs and Services](#)
- [Merrill Explanation of Fees](#)
- [Merrill Edge Explanation of Fees](#)
- [Merrill Schedule of Miscellaneous Account and Service Fees](#)
- [Merrill Edge Schedule of Miscellaneous Account and Service Fees](#)
- [List of Account Types](#)
- [About the Merrill Bank Deposit Program](#) (about the Cash Sweep Program)
- [Sweep Program Guide](#)
- [Mutual Fund Investing at Merrill](#)
- [Offshore Mutual Fund Investing at Merrill Lynch](#)
- [Making the Most of Your Retirement Assets](#)
- [Annuities for Retirement](#)
- [Margin Truth-in-Lending Disclosure Statement](#)
- [Securities-Based Loan Disclosure Statement](#)
- [Section 529 Plans at Merrill](#)