

# Client Relationship Summary

Effective March 22, 2021



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

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

You can access free and simple tools to research firms and financial professionals at [investor.gov/CRS](http://investor.gov/CRS), which provides educational materials about broker-dealers, investment advisers and investing. Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. This Client Relationship Summary (Form CRS) provides a summary of the types of services we provide and how you pay.

At Merrill, we offer both brokerage and investment advisory services. You choose how you want to work with us:

Work with your dedicated Merrill Advisor (Advisor) and team in a brokerage account relationship for a per trade charge and/or enroll in an investment advisory program to access managed investment portfolios, discretionary management and fiduciary services for an annual asset-based fee.

Obtain the advice of Merrill Financial Solutions Advisors (FSAs) and other representatives in a brokerage account relationship for a per trade charge and/or enroll in an investment advisory program to receive selected managed portfolios and related fiduciary services for an annual asset-based fee.

Utilize the Merrill Edge Self-Directed (MESD) investing platform to execute and manage your own trades in a brokerage account for a per trade charge and/or enroll in an investment advisory program to access certain self-guided managed portfolios and related fiduciary services for an annual asset-based fee.

This Form CRS and the [Summary of Programs and Services](#) provides an overview of our primary programs.

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

### BROKERAGE SERVICES

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

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

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

- Investment recommendations and responses to your trade instructions and other requests.
- Access to investments, research, financial tools, investment guidance and market education.
- Trade execution for purchases and sales of securities and custody of Account assets.

- Margin lending (borrowing against the securities in your Account).
- Access to various [account types](#).
- Access to our [Cash Sweep Program](#) where uninvested cash in your Account is “swept” into bank deposit accounts affiliated with us or into money market mutual funds.
- Cash management services including direct deposit, check-writing, debit cards, electronic funds transfer.

You can obtain certain brokerage services in a brokerage Account serviced by FSAs and other of our registered employees via a call center or in a bank or wealth management center (Merrill Advisory Center (MAC)). Certain of our FSAs and registered employees may only offer certain types of investment products. You can obtain brokerage services on a self-directed basis through MESD.

Our [Best Interest Disclosure Statement](#) provides material facts about a brokerage Account, including material limitations we place on our offerings.

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

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

## INVESTMENT ADVISORY SERVICES

Merrill offers a variety of investment advisory programs (IA Programs). Each IA Program is described in an IA Program brochure available at [ml.com/relationships](http://ml.com/relationships) and [merrilledge.com](http://merrilledge.com).

When you enroll in one of our IA Programs, we act as your investment adviser in providing you the services described in that IA Program's client agreement and brochure. You pay an asset-based fee and not on a per trade basis. These services include advice and guidance, brokerage and custody services and access to the Cash Sweep Program.

In certain IA Programs, you can choose to make investment decisions yourself and/or to grant us or a third party the authority to make investment and trading decisions for your account on your behalf (discretion). This discretion is triggered when you grant it to us and remains in effect until you revoke it. **We provide ongoing monitoring for an account enrolled in an IA Program as described in its brochure.**

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

Our IA Programs for retail investors are:

[Merrill Lynch Investment Advisory Program](#) (IAP). IAP provides you with investment advice and guidance from an Advisor you select and access to a wide range of investment strategies and products. IAP makes available third-party and Merrill managed investment strategies as well as individual funds, equities and fixed income securities. For an IAP account, you may delegate investment and trading discretion to your Advisor or to the manager (us or a third-party manager) of an investment strategy you select or retain investment discretion.

[Strategic Portfolio Advisor Service](#) (SPA). SPA provides you with investment advice from an Advisor you select and the ability to access investment strategies offered by third-party managers under a separate contract.

[Managed Account Service](#) (MAS). MAS provides you with the ability to select under a separate contract certain investment strategies of third-party managers not offered in our other IA Programs. As to this selection, we and your Advisor do not provide advice or recommendations.

[Merrill Guided Investing with Advisor](#) (MGI with Advisor). This IA Program offers you the ability to invest in certain investment strategies managed by Merrill with advice and guidance of a Merrill representative and through an online, guided interactive website.

[Merrill Edge Advisory Account](#) (MEAA). MEAA is a program that offers you the ability to invest with advice and guidance of a

MAC-based FSA in certain investment strategies managed by Merrill.

[Merrill Guided Investing](#) (MGI). MGI provides you with the ability to invest in a set of investment strategies managed by Merrill through an online, self-guided interactive website.

[Institutional Investment Consulting](#) (IIC). IIC is a program that provides specified investment portfolio services to the investment portfolios of IIC-eligible clients.

All of these IA Programs have differing service and relationship approaches and requirements. Certain of the same managed investment strategies are available in several of our IA Programs. You should evaluate which IA Program is right for you considering your investment profile; your preferences on working with an Advisor you select, working with a MAC-based FSA or working on a self-guided basis; the nature of the IA Program services; the types of IA Program services you want; the investment solutions available; and the IA Program fees. The IA Program brochures provide material facts about the program, including fees and conflicts of interest.

### FOR BOTH BROKERAGE AND INVESTMENT ADVISORY

We offer a wide variety of investment products. These products are available to you for investment based on factors such as account limitations, client and Advisor/FSA eligibility and our product approval process.

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

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

For a CMA Account, there is a minimum funding of \$20,000 in cash and/or securities (with a \$2,000 minimum for a subaccount). This does not apply to an MESD account or an account enrolled in MGI, MGIA or MEAA. Certain investment products and IA Programs are subject to minimum investment amounts detailed in offering materials and IA Program brochures. Not all account type options provide the services described in this Form CRS.

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

## What fees will I pay?

### FEES IN A BROKERAGE ACCOUNT

You will pay a fee for each transaction in a brokerage account (for example, commissions, markups, markdowns or sales charges). This can be a direct payment from you or, for certain investment products, the product sponsor or the manager will pay the fees and costs to us based on the value of your investment.

Brokerage transaction fees vary from product to product. An overview of brokerage fees and other Account charges is included in the [Best Interest Disclosure Statement](#) and in the materials listed on page 4 of this CRS. An overview of the MESD brokerage fees and charges is available at [merrilledge.com/pricing](http://merrilledge.com/pricing). The trade confirmation you receive will provide the amount of the fees charged for the transaction. The offering materials available for certain types of investment products provide information about the fees and costs of those products.

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

### FEES IN AN IA PROGRAM-ENROLLED ACCOUNT

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

**IAP:** A customized rate agreed with your Advisor (max 2.00%) and a strategy manager fee (if applicable) for Advisor-based advice and guidance, access to a wide range of investment solutions and managed strategies and IAP fiduciary services.

**SPA:** A customized rate agreed with your Advisor (max 1.50%) and a SPA manager fee for SPA fiduciary services.

**MAS:** A customized rate agreed with your Advisor (max 1.80%) and a MAS manager fee for certain agreed MAS services.

**MGI with Advisor and MEAA:** A fee rate of 0.85% for FSA-based advice and guidance on the set of managed strategies available through the program and related fiduciary services.

**MGI:** A fee rate of 0.45% for access on a self-guided basis to a limited list of managed strategies.

**IIC:** A negotiated rate (max 0.45%) for IIC services.

Depending on the IA Program, the fee is paid monthly or quarterly. The relevant IA Program brochure will provide more detail about the applicable fee and the transactional costs you may incur.

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

### ADDITIONAL FEE INFORMATION

We (or your Advisor or an FSA) may discount or waive certain transaction fees and charges based on your circumstances, any discount or waiver requirements and/or any reward and rebate program rules.

Certain brokerage and IA Program services, as well as investment products, may only be provided by Advisors and FSAs who meet certain qualifications and training requirements. Certain products have built-in fees and expenses described in their offering materials that the product manager or sponsor charges for services, portions of which may be paid to us.

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

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

### STANDARD OF CONDUCT AND CONFLICTS OF INTEREST

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

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

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

**Principal trading.** Some of your securities transactions will be executed with our affiliate BofAS. It receives dealer compensation for its services. BofAS also receives underwriting compensation from issuers for providing underwriting services for offerings of securities and for the sale of these securities to institutional and retail clients, including you.

Please review our [Best Interest Disclosure Statement](#) and/or our IA Program brochures at [ml.com/relationships](http://ml.com/relationships) and [merrilledge.com](http://merrilledge.com).

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

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

## How do your financial professionals make money?

### BROKERAGE COMPENSATION

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

FSAs and certain Advisors and other registered employees providing brokerage services are compensated through a salary and certain bonus payments for asset gathering.

Advisors and FSAs may also share in fees charged for services provided to you by us and companies related to us as referral payments.

### INVESTMENT ADVISORY COMPENSATION

In general, Advisors who are qualified to offer IAP, SPA and MAS to eligible clients receive as compensation a portion of the particular IA Program fee, subject to certain policy requirements. Certain Advisors may only offer and provide services for certain IAP strategy types. FSAs and certain types of Advisors receive a salary and incentive compensation.

### OTHER COMPENSATION INFORMATION

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

Advisors and FSAs may receive bonus compensation based on their asset gathering efforts during the year. Advisors who join Merrill from other firms are eligible to receive additional payments based on the revenues generated from accounts they manage at particular points in time.

Certain products have higher transaction fees and service charges than other products. An Advisor will receive more compensation for selling certain products over other products.

The nature of compensation payments that Advisors receive presents a conflict of interest. For brokerage services, the conflict arises based on the type and frequency of transactions

in your Account. For IA Programs, the conflict arises based on the compensation we make due to your enrollment in a fee-based program and the fee that you agree to.

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

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

## Additional Information

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

For a copy of [Best Interest Disclosure Statement](#), go to [ml.com/bestinterestdisclosure](http://ml.com/bestinterestdisclosure) or obtain a paper copy from an Advisor or an FSA free of charge. We will provide you with additional transaction information through other documents such as trade confirmations, prospectuses, offering materials and account statements.

Certain client agreement forms and the materials listed below are also available at [ml.com/relationships](http://ml.com/relationships) and [merrilledge.com](http://merrilledge.com).

- [Summary of Programs and Services](#)
- [Best Interest Disclosure Statement](#)
- [IA Program Brochures](#)
- [List of Account Types](#)
- [Merrill Explanation of Fees](#)
- [Merrill Edge Explanation of Fees](#)
- [Merrill Schedule of Miscellaneous Account and Service Fees](#)
- [Merrill Edge Schedule of Miscellaneous Account and Service Fees](#)
- [Sweep Program Guide](#)
- [Mutual Fund Investing](#)
- [Offshore Mutual Fund Investing](#)

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

## Exhibit to Client Relationship Summary on Form CRS

On June 15, 2020, MLPF&S and MAA together filed the Client Relationship Summary on Form CRS (Form CRS) as an initial filing. Below is a summary of changes that is designed to make clients aware of information that has changed since the filing of Form CRS and that may be important to them.

### ENHANCED DISCLOSURES MADE AS PART OF THIS ANNUAL UPDATE

We have made certain enhanced disclosures about the Program, its Services and other information in the Form CRS as part of this annual update. In the section with the heading “How do your financial professionals make money?” on page 4, we have revised certain disclosures to reflect the following new business practices:

- Under our current policies, Merrill does not pay a recruiting bonus to an individual who joins Merrill from another firm. A recruit is eligible to receive additional payments at particular points in time based on the revenues generated from accounts serviced as a Merrill Advisor.
- Under our current policies, Merrill does not permit third-party product sponsors or other firms to provide gifts and entertainment to Merrill employees other than promotional items of limited value.

In addition, we made certain wording and presentation changes in the Form CRS to enhance presentation of the information and disclosures with the objective of the Form CRS being more readable, accessible and relatable to clients.