

# Sweep Program Guide

## For Merrill clients

This guide provides information on the sweep programs available for Merrill accounts and includes:

- An overview of automatic cash sweep options and how they work
- A chart of automatic cash sweep options by account type
- A description of the “no sweep” option, available for certain account types
- An explanation of conflicts of interest between you and Merrill related to these cash sweep options
- Important information about rates/yields for bank deposit programs
- An overview of Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) protection

If you have questions in connection with making your cash sweep decision, please review your account agreement and associated program disclosures or contact your Merrill financial advisor or Merrill Edge® representative.

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<b>Are Not FDIC Insured</b>	<b>Are Not Bank Guaranteed</b>	<b>May Lose Value</b>
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## Sweep Program

The "Sweep Program" is the automatic movement of cash balances to or from a bank deposit program or, where eligible, money market mutual funds ("money market funds") that we make available for this purpose. The deposit of checks, the sale of securities and other activities generate cash balances in your Merrill account. You can choose to have the cash automatically "swept" to a bank deposit program, or, for a limited number of account types, you may be able to choose a money market fund. This "automatic cash sweep" is also called a Primary Money Account. With an automatic cash sweep feature, you do not need to contact your Merrill financial advisor or speak

to a Merrill Edge representative to move funds to or from your Primary Money Account. The sweep happens automatically.

If your account has a bank deposit program as the automatic cash sweep, your cash is deposited into a deposit account with one or more of the following banks: Bank of America, N.A. ("BANA"), Bank of America California, N.A. ("BA-CA"), or Merrill Lynch Bank and Trust Company (Cayman) Limited ("MLBTC"). Collectively, these banks are referred to as the "Merrill Affiliated Banks."

**The charts below and on the following pages outline the available automatic cash sweep options by account type.**

### Primary money accounts for U.S. residents

Account type	Automatic cash sweep options	
	Bank Deposit Programs	Participating Merrill Affiliated Banks
Cash Management Account® (CMA® Account), CMA SubAccount®, Cash Management Account® for Trust (CMA for Trust)	Merrill Lynch Bank Deposit Program	BANA and BA-CA
IRA, Roth, Rollover, SEP, SIMPLE and BASIC Accounts	Retirement Asset Savings Program	BANA and BA-CA
Education Savings Account (ESA)	Retirement Asset Savings Program	BANA and BA-CA
Health Savings Account (HSA) and Medical Savings Account	Merrill Lynch Bank Deposit Program	BANA and BA-CA
Merrill Edge® Self-Directed CMA Account	Merrill Lynch Direct Deposit Program	BANA
Merrill Edge Self-Directed IRA, Roth, Rollover, SEP, SIMPLE and BASIC Accounts	Retirement Asset Savings Program	BANA and BA-CA

### Primary money accounts for non-U.S. residents

Account type	Automatic cash sweep options	
	Bank Deposit Programs*	Participating Merrill Affiliated Banks
CMA Account, CMA SubAccount and CMA for Trust	Merrill Lynch Bank Deposit Program	BANA and BA-CA
	International Bank Variable Rate Deposit Facility†	MLBTC†

\* These automatic cash sweep options are not available to all jurisdictions. Please contact your Merrill financial advisor or Merrill Edge representative to determine if you are eligible to participate.

† International Bank Variable Rate Deposit Facility is offered only to non-U.S. citizens who are not residents of the United States. Deposits are placed with MLBTC, a bank incorporated in the Cayman Islands. Deposits held at MLBTC are not deposits within the meaning of the Federal Deposit Insurance Act (12 U.S.C. 1813(l)); are not insured or guaranteed by the U.S. government, the FDIC or any other government agency; or covered by any other deposit protection program.

### Primary money accounts for U.S. entities

Account type	Automatic cash sweep options	
	Bank Deposit Programs	Participating Merrill Affiliated Banks
Business Investor Account (BIA)	Merrill Lynch Bank Deposit Program	BANA and BA-CA
Working Capital Management Account (WCMA® Account) and WCMA SubAccount	Merrill Lynch Bank Deposit Program	BANA and BA-CA
Endowment Management Account™ (EMA®), EMA II and EMA SubAccount®	Merrill Lynch Bank Deposit Program	BANA and BA-CA
Merrill Edge Self-Directed BIA	Merrill Lynch Bank Deposit Program	BANA and BA-CA
Merrill Edge Self-Directed WCMA Account	Merrill Lynch Bank Deposit Program	BANA and BA-CA

## Primary money accounts for non-U.S. entities

Account type	Automatic cash sweep options	
	Bank Deposit Programs*	Participating Merrill Affiliated Banks
WCMA Account and WCMA SubAccount	Merrill Lynch Bank Deposit Program	BANA and BA-CA
	International Bank Variable Rate Deposit Facility <sup>†</sup>	MLBTC <sup>†</sup>
BIA	Merrill Lynch Bank Deposit Program	BANA and BA-CA
	International Bank Variable Rate Deposit Facility <sup>†</sup>	MLBTC <sup>†</sup>

\* These automatic cash sweep options are not available to all jurisdictions. Please contact your Merrill financial advisor or Merrill Edge representative to determine if you are eligible to participate.

<sup>†</sup> International Bank Variable Rate Deposit Facility is offered only to non-U.S. citizens who are not residents of the United States. Deposits are placed with MLBTC, a bank incorporated in the Cayman Islands. Deposits held at MLBTC are not deposits within the meaning of the Federal Deposit Insurance Act (12 U.S.C. 1813(l)); are not insured or guaranteed by the U.S. government, the FDIC or any other government agency; or covered by any other deposit protection program.

## Primary money accounts for qualified retirement plans held in RCMA account types and in self-directed brokerage (SDB) accounts

Account type	Automatic cash sweep options		
	Bank Deposit Programs	Participating Merrill Affiliated Banks	Money Market Funds
Retirement Cash Management Account (RCMA®) (for Investment Only) and RCMA SubAccount (for Investment Only)	Insured Savings Account ("ISA®") Program**	BANA Banks not affiliated with Bank of America or Merrill	BlackRock Liquidity Funds: Fed Fund — Cash Reserve Class
	Merrill Lynch Bank Deposit Program	BANA and BA-CA	BlackRock Liquidity Funds: Treasury Trust — Cash Reserve Class
RCMA II (for Investment Only) and RCMA accounts used for Advisor Alliance	Not available	Not available	BlackRock Liquidity Funds: Fed Fund — Cash Reserve Class
Self-Directed Brokerage (SDB) Accounts held within a qualified retirement plan	Merrill Lynch Bank Deposit Program	BANA and BA-CA	BlackRock Liquidity Funds: Fed Fund — Cash Reserve Class
Merrill Edge Self-Directed Retirement Cash Management Account (RCMA®) (for Investment Only)	Merrill Lynch Bank Deposit Program	BANA and BA-CA	BlackRock Liquidity Funds: Fed Fund — Cash Reserve Class  BlackRock Liquidity Funds: Treasury Trust — Cash Reserve Class
Merrill Edge Self-Directed RCMA II (for Investment Only)	Not available	Not available	BlackRock Liquidity Funds: Fed Fund — Cash Reserve Class

\*\*The ISA Program is a series of electronically linked money market deposit accounts (MMDAs) into which funds are deposited at one or more participating banks. To view the current list of participating banks, visit [ml.com/isa](http://ml.com/isa). The ISA Program has a minimum opening deposit of \$1,000. This minimum does not apply for RCMA accounts that select the ISA Program as an automatic cash sweep option. Merrill Edge Self-Directed clients are not eligible to participate in the ISA Program.

## No sweep

A “no sweep” option is available for selection by you for the CMA Account, WCMA Account, BIA and EMA account types. If you choose this option, your cash will not be automatically swept into a bank deposit program. Instead, it will remain as cash until it is needed to satisfy any debits and will not earn interest or dividends. Free credit balances held in a brokerage account at Merrill are “cash” and receive SIPC and excess-SIPC protection. For additional information on the SIPC, visit [sipc.org](https://sipc.org).

If your account is enrolled in a Merrill investment advisory program, you should understand that Merrill charges an asset-based advisory fee on the cash in the account. This is the case even though you are not earning any interest or dividends on that cash.

## Conflicts of interest

There are conflicts of interest relating to the Sweep Program. If you hold cash balances in your account, both Merrill and the Merrill Affiliated Banks benefit financially when your cash is “swept” to and held in deposit with them under the Sweep Program. Merrill receives compensation from the Merrill Affiliated Banks for its services relating to the Sweep Program.

Merrill receives:

- Up to \$100 per year from BANA and BA-CA for each account that sweeps to the Merrill Lynch Bank Deposit Program and Merrill Lynch Direct Deposit Program
- Up to \$85 per year for each account that sweeps to the Retirement Asset Savings Program
- Up to \$100 per year from MLBTC for each account that sweeps to the International Bank Variable Rate Deposit Facility
- A fee of up to 2% per annum of the daily balances from the participating banks in the ISA Program

This compensation is subject to change from time to time, and Merrill may waive all or part of it.

Merrill financial advisors are compensated based on their clients’ total deposits held in Merrill Affiliated Banks (excluding deposits held under the Retirement Asset Savings Program), in participating banks in the ISA Program and in sweep money market funds. In addition, they can receive a compensation award based on achieving a number of strategic objectives, including, among other activities, the growth in their clients’ balances in bank sweep deposit accounts and sweep money market funds. Together, these compensation incentives create a conflict of interest.

The Merrill Affiliated Banks benefit financially from their use of the deposits. Through the Sweep Program, they receive a stable, cost-effective source of funding. They use bank deposits to fund current and new lending, investment and other business

activities. Their participation in the Sweep Program increases their respective deposits and overall profits. Bank profitability is determined, in large part, by the “spread” they earn on the deposits — the difference between the interest paid and other costs incurred by them on bank deposits (including payments to Merrill), on the one hand, and the interest or other income earned on their loans, investments and other assets, which may be funded in part by bank deposits, on the other hand. The greater the amount of cash balances maintained in deposit accounts with the Merrill Affiliated Banks (which could be as a result of a recommendation from your financial advisor) and the lower the interest rate paid on the related bank deposit, the more the Merrill Affiliated Banks benefit.

The deposits will bear a rate of interest that has been established for, and in light of the features of, the Sweep Program. The rate of interest for such deposit accounts is periodically set and reset by the Merrill Affiliated Banks in their discretion. Accounts that enroll in specified Merrill investment advisory programs receive the highest tier rate available under the Merrill Lynch Bank Deposit Program and the Retirement Asset Savings Program. The specified programs are (1) the Merrill Lynch Investment Advisory Program; (2) the Merrill Lynch Strategic Portfolio Advisor Service; (3) the Merrill Lynch Managed Account Service; (4) the BlackRock Private Investors Service; (5) the Merrill Guided Investing Program; (6) the Merrill Guided Investing with Advisor Program; and (7) the Merrill Edge Advisory Account program. Accounts that have the Merrill Lynch Direct Deposit Program and are enrolled in Merrill Guided Investing, an investment advisory program, will receive the highest tier rate under that sweep program.

The interest rate you earn in the bank deposit account affiliated with the Sweep Program will likely be lower than yields on certain money market funds and other cash alternatives.

Certain eligible retirement plan accounts listed in the charts above are eligible for and can elect a money market fund as its cash sweep option. The available sweep money market funds include a 0.40% asset-based administration fee per annum that is paid to Merrill. Merrill rebates the amount of the asset-based administration fee it receives to these clients. The amount of such rebate may be less than this 0.40% fee in certain rate environments where the fund manager waives or reduces the amount of such fee in order to avoid a negative return on the money market fund.

Merrill advisors are compensated based on their clients’ total assets held in the cash sweep option money market mutual funds. If you choose the “no sweep” option, Merrill, as a registered broker-dealer, benefits from the possession or use of cash balances, also known as free credit balances, in your accounts, subject to restrictions imposed by Rule 15c3-3 under the Securities Exchange Act of 1934.

## Rates and yields

Interest rates for the Merrill Lynch Bank Deposit Program, Merrill Lynch Direct Deposit Program, Retirement Asset Savings Program and International Bank Variable Rate Deposit Facility:

- Are determined by the Merrill Affiliated Banks in their sole discretion
- Are variable and may change at any time after the account is opened, without notice or limit
- Will likely be lower than the rates available on other deposit type accounts at the Merrill Affiliated Banks and other banking institutions and yields on cash alternatives, such as money market funds

For certain account types that sweep to the Merrill Lynch Bank Deposit Program and Retirement Asset Savings Program, interest rates are tiered based upon your relationship with Merrill. Clients with higher total eligible assets may receive a higher yield on their bank deposits. You may be eligible to link your accounts to potentially earn a higher rate of interest on your bank deposit balances. For additional information, please see your account agreement. Accounts that enroll in the following investment advisory programs receive the highest tier rate available under the Merrill Lynch Bank Deposit Program and Retirement Asset Savings Program. The specified programs are: (1) the Merrill Lynch Investment Advisory Program; (2) the Merrill Lynch Strategic Portfolio Advisor Service; (3) the Merrill Lynch Managed Account Service; (4) the BlackRock Private Investors Service; (5) the Merrill Guided Investing Program; (6) the Merrill Guided Investing with Advisor Program; and (7) the Merrill Edge Advisory Account program.

MMDAs established through the ISA Program will receive the same interest rate regardless of the depository institutions at which the MMDAs are established. This rate will be determined each week, on the basis of prevailing market conditions, at a level at which Merrill is willing to have MMDAs offered to its customers. The interest rates paid with respect to the MMDAs established through the ISA Program may be higher or lower than the interest rates available to depositors making deposits directly with the depository institutions for comparable accounts.

Clients should compare the terms, interest rates, APY, rates of return, required minimum amounts, charges and other features with other accounts and alternative investments before deciding to maintain balances in deposit accounts through the Merrill Lynch Bank Deposit Program, Retirement Asset Savings Program, Merrill Lynch Direct Deposit Program, International Bank Variable Rate Deposit Facility or ISA Program.

Your Merrill financial advisor is available to discuss alternatives for your cash as the yields on respective cash sweep options may change, depending on market conditions, at different times throughout the year.

Yield information on any deposits held at the Merrill Affiliated Banks and in the ISA Program is included on your Merrill account statement. You can also obtain current interest rate information on MyMerrill.com® or MerrillEdge.com (see the “Deposit Account & Money Fund Rates” link at the bottom of each page).

You may take action to move cash from your sweep deposits into other investments, including other cash products or cash alternatives. There are other cash management products available for investment that pay a higher yield than is provided in the sweep deposits. Certain eligibility rules may apply. Please contact your Merrill financial advisor or Merrill Edge representative if you would like to discuss other available cash alternatives.

## FDIC insurance

Merrill is not a bank and FDIC deposit insurance only covers the failure of an FDIC-insured bank. Certain conditions must be satisfied for deposit insurance coverage to apply when bank deposits are opened on your behalf in the name of Merrill as your agent. Merrill has in place business requirements and practices that are reasonably designed to satisfy those conditions, which include, but are not limited to, proper account titling and recordkeeping. Sweep deposits in BANA, BA-CA and the non-affiliated banks in the ISA Program (together, “Sweep Banks”) are insured by the FDIC up to the applicable standard maximum deposit insurance amount (SMDIA). To view the current list of ISA participating banks, visit [ml.com/isa](https://ml.com/isa). The SMDIA is generally \$250,000 per depositor, per ownership category, per bank. Deposits maintained in different categories of legal ownership—such as individual accounts, joint accounts or certain retirement accounts—are separately insured by the FDIC, up to applicable insurance limits. FDIC insurance covers both principal and credited interest, up to applicable limits. Any accounts or deposits maintained with one of the participating Sweep Banks in the same legal ownership category, whether directly, through other Merrill accounts or through any other intermediary, would be aggregated for FDIC insurance limit purposes.

Deposits placed with MLBTC are not deposits within the meaning of the Federal Deposit Insurance Act (12 U.S.C. 1813(l)). MLBTC deposits are not insured or guaranteed by the U.S. government, the FDIC or any other government agency or covered by any other deposit protection program.

**Clients are responsible for monitoring the total amount of deposits held at the Sweep Banks in order to determine the extent of FDIC insurance. If your total cash balances held at any Merrill Affiliated Bank or any ISA Bank in any type of deposit account (whether a direct bank deposit account or a sweep deposit account) and/or in any type of bank product exceed the FDIC coverage limits, the amount deposited that is over the applicable limits will not be entitled to FDIC coverage.**

For additional information on FDIC insurance, visit [fdic.gov](https://fdic.gov).

## SIPC and excess-SIPC coverage

The securities and cash that Merrill holds in your brokerage account are protected by the SIPC. If a U.S. broker-dealer fails, SIPC funds are available to make up for any shortfall of client assets that the broker-dealer was required to maintain — up to a maximum of \$500,000 per client for securities, inclusive of up to \$250,000 per client for cash. In addition, Merrill has obtained “excess SIPC” coverage from a Lloyd’s of London syndicate for large client accounts. This policy provides further protection (including up to \$1.9 million for cash) for customers who would not be made whole by the SIPC, subject to an aggregate loss limit of \$1 billion for all customer claims.

Please note that money market mutual funds and deposits in the Sweep Banks or MLBTC are not “cash” for purposes of SIPC account protection. Rather, money market mutual funds receive SIPC and excess-SIPC protection as securities. SIPC and excess-SIPC coverage do not protect against investment losses from market action.

For additional information on the SIPC, visit [sipc.org](https://sipc.org).

## Additional information on cash sweep options

Please refer to the disclosures in your account agreement for additional and more detailed information concerning sweep deposits with the Merrill Affiliated Banks. For additional information on the ISA Program, refer to your ISA Fact Sheet.

**Merrill, its affiliates and financial advisors do not provide legal, tax or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.**

Merrill Lynch Bank and Trust Company (Cayman) Limited (Registration Number: 26981) is regulated by the Cayman Islands Monetary Authority (“CIMA”) and currently maintains a Category B bank licence, an unrestricted trust licence and a securities investment business licence. Details about the extent of our regulation by CIMA are available on request. Our registered office is P.O. Box 1164 GT, North Church Street, Grand Cayman, KY1-1102, Cayman Islands. A list of names and personal details of every director of the company is available for inspection to the public at the company’s registered office for a nominal fee.

MLBTC does not act as a bank in all jurisdictions. U.S. products and services may not be available in all jurisdictions or to all clients.

### Money market mutual funds

**Investing involves risk. For more complete information on any mutual fund, please request a prospectus and/or, if available, a summary prospectus from your Merrill advisor or Merrill Edge representative and read it carefully. Before investing, carefully consider the investment objectives, risks, and charges and expenses of the fund. This and other information can be found in the fund’s prospectus and/or, if available, summary prospectus.**

***You could lose money by investing in the money market mutual fund. Although the money market mutual fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the money market mutual fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The money market mutual fund’s sponsor has no legal obligation to provide financial support to the money market mutual fund, and you should not expect that the sponsor will provide financial support to the money market mutual fund at any time.***

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