

# CIO Conservative MF/ETF

**Managed Strategy:** Hybrid – Mutual Funds and Exchange Traded Funds  
**Investor Profile:** Conservative  
**Minimum Investment:** \$7,500  
**Type:** Taxable



## Overview

This Strategy is designed to provide investors with a fully integrated Merrill Lynch investment experience across asset allocation, portfolio construction, investment selection and risk management. This Strategy is a Total Portfolio and seeks to provide exposure across all major asset classes. The Strategy seeks to be aligned with investor specific preferences, which can include: the types of investments utilized; desired tax sensitivity; time horizon; and risk tolerance. Global Wealth & Investment Management Chief Investment Office (GWIM CIO) manages the investment process while Managed Account Advisors, LLC (MAA), an affiliate of Merrill Lynch, manages implementation as described below. The Strategy seeks to include, but is not limited to, equity, fixed income and cash exposure. The GWIM CIO will rebalance the Strategy in accordance with the Firm's tactical asset allocation views, with the goal of generating incremental returns. In addition, the GWIM CIO will periodically rebalance the Strategy to account for new manager additions, changes in the status of existing managers, or to correct for portfolio drift.

This Strategy seeks to employ a combination of index-tracking exchange traded funds (ETFs), which are cost effective and tax efficient pooled investment vehicles, and actively managed solutions such as mutual funds (MFs), which are generally liquid pooled investment vehicles that seek to outperform a benchmark. The GWIM CIO will manage the Strategy's mix of ETFs and MFs based on a variety of factors including the market environment and the types of managers available. Additionally, investment minimums may impact the type of investment vehicles utilized in the Strategy.

Our due diligence process use both quantitative and qualitative analytical methods to review and select potential investment candidates. The Strategy leverages a proprietary portfolio construction process to select investments based on a variety of factors, which include diversification, risk management, market exposures and product expense, as well as additional qualitative assessments. For mutual funds, the portfolio construction process analyzes the correlation of excess returns across managers, and uses this to identify an appropriate combination of managers. Furthermore, the GWIM CIO regularly monitors the Strategy to ensure that performance is in line with risk and return expectations.

This Strategy is intended for investors who are predominantly risk-averse. It primarily focuses on stability and capital preservation. Investors using this Strategy should be willing to achieve investment returns (adjusted for inflation) that are low or, in some years, negative, in exchange for reduced risk of principal loss and a high level of liquidity.

Because the fixed income allocation is intended to include only taxable Components, it may be appropriate for tax-exempt clients and clients with lower tax sensitivity.

## Investment Process

Managed Account Advisors, LLC (MAA), an affiliate of Merrill Lynch, is the overlay portfolio manager for this Strategy. Accounts are generally fully invested within two days after acceptance. New accounts in this Strategy are invested at the target asset allocation and security weights at the time your account is accepted. The asset allocations shown in the Asset Class/Style Allocation Chart in this profile are as of the quarter-end date shown above, and may have subsequently been adjusted by Merrill Lynch. Therefore, your account may be invested differently than the Asset Class/Style Allocation Chart. MAA administers each client's account and is responsible for ongoing management and rebalancing. Account contributions and income will generally be invested according to the then-current asset allocation targets, which may be different than those shown on the Asset Class/Style Allocation Chart. MAA will implement tax motivated instructions to the extent possible.

**Important Note(s):** This Strategy is not available to non-resident clients (NRCs). This Strategy is available with a minimum investment of \$7,500. Consistent with the investment process and to the extent possible, tax motivated instructions may be considered. MAA may invest in Exchange Traded Funds (ETFs) consistent with this Strategy on a temporary basis under certain circumstances (e.g., for tax planning or liquidity purposes). In the current quarter, there was a change to the Style Manager(s) and/or Fund(s) in this Strategy. Please note, Strategy Composite performance results shown on this Profile may include a combination of current and previous Style Managers(s) and/or Fund(s).

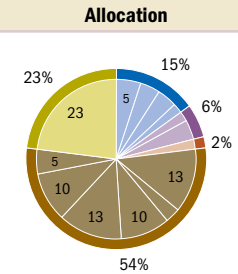
## General Information

Merrill Lynch, 101 Hudson St., Floor 9  
 Jersey City, NJ 07302

MAA Client Services: 888-204-3287  
 Fax: 201-557-1360

## Asset Class/Style Allocation

Asset Class/Style	Allocation
U.S. Equity	15%
Intl Equity	6%
EM Equity	2%
Fixed Income	54%
Cash	23%



## Hybrid – Mutual Funds and Exchange Traded Funds

Style	Allocation (%)	Vehicle	Composition
Cash	23%	Cash	Cash
Emerging Markets Equity	2%	ETF	iShares Core MSCI EM Mkts
Core Plus	13%	Mutual Fund	TCW Total Return Fund
High Yield Taxable	3%	ETF	SPDR Barclays High Yield Bond
International Bond	10%	Mutual Fund	PIMCO Foreign Bond Fund (USD-Hedged)
Investment Grade Corp	13%	ETF	Vanguard Interm Term Corp ETF
US Govt/Agency	10%	ETF	iShares Treasury Bond Fund
US Govt/Agency	5%	ETF	Vanguard Short Term Government Bond
International Core	2%	ETF	iShares Core MSCI EAFE
International Core	4%	Mutual Fund	Neuberger Berman International Fund
Large Cap Growth	5%	ETF	iShares Russell 1000 Growth
Large Cap Value	4%	Mutual Fund	MFS Value Fund
Large Cap Value	4%	Mutual Fund	BlackRock Eqty Dividend Fund
Small Cap Core	2%	ETF	Schwab US Small-Cap

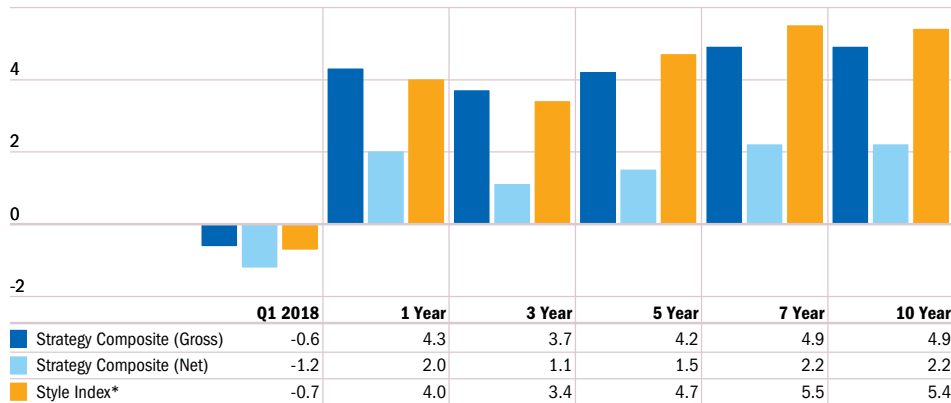
Performance information and other data included in this Profile is as of the quarter-end date indicated above and subject to change. Prior period returns may have been restated. Past performance does not guarantee future results. Prior to selecting a Strategy, you should review the entire Profile and the User's Guide to the Profile. The securities identified in this Profile, if any, do not represent all of the securities purchased, sold or recommended for advisor clients. Securities shown should not be considered recommendations or solicitations and may not have been, or in the future be, profitable. See the disclosure in this Profile regarding other important information. Please ask your advisor for more information.

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## Annualized Performance (%) Ended March 31, 2018

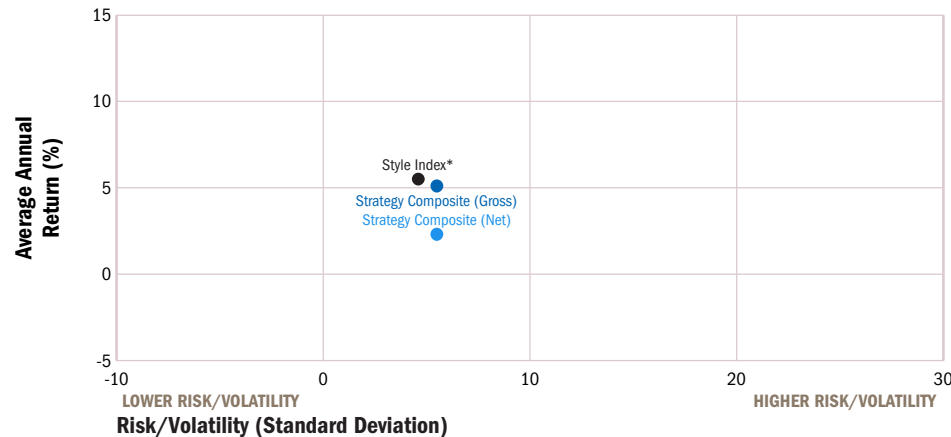


\*Style Index: From 01/01/2018 through current quarter end: 11% ICE BofAML Global Broad Mkt ex USD TR Hedged, 17% ICE BofAML US Treas&Agency Mstr, 11% ICE BofAML US Corp Master, 4% ICE BofAML HY Mstr Cash Only, 5% MSCIWRLDXUSA\_N, 1% MSCI EM Net, 5% Russell 1000G, 8% Russell 1000V, 1% Russell 2000G, 1% Russell 2000V, 14% ICE BofAML Mortgage Mstr, 22% ICE BofAML 3mo US T-bill. See important disclosure below and the User's Guide to Profiles for Style Index composition for prior periods. Strategy Composite = Strategy Composite return of the mix of Current Style Manager(s)/Fund(s) and/or Previous Style Manager(s)/Fund(s) (if applicable). See below disclosure for additional information. .

## Return Information (%)

Year	Strategy Composite (Gross)	Strategy Composite (Net)	Style Index*
1Q18	-0.6	-1.2	-0.7
2017	7.2	4.8	6.6
2016	5.7	2.8	5.4
2015	0.5	-2.2	0.8
2014	4.6	1.8	8.0
2013	6.5	3.6	6.5
2012	9.6	6.7	7.8
2011	3.6	0.8	6.2
2010	9.2	6.3	9.9
2009	15.5	12.4	12.2
2008	-12.7	-15.1	-8.3

## Risk/Return Analysis April 2008 - March 2018



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### Strategy Performance Update

The Strategy Composite returned -0.62% (before fees) outperforming the Style Index by 0.05%.

The Strategy Composite returned -1.17% (after fees) underperforming the Style Index by 0.50%.

### 2018 Highlights

The Strategy Composite returned -0.62% (before fees) outperforming the Style Index by 0.05%.

The Strategy Composite returned -1.17% (after fees) underperforming the Style Index by 0.50%.

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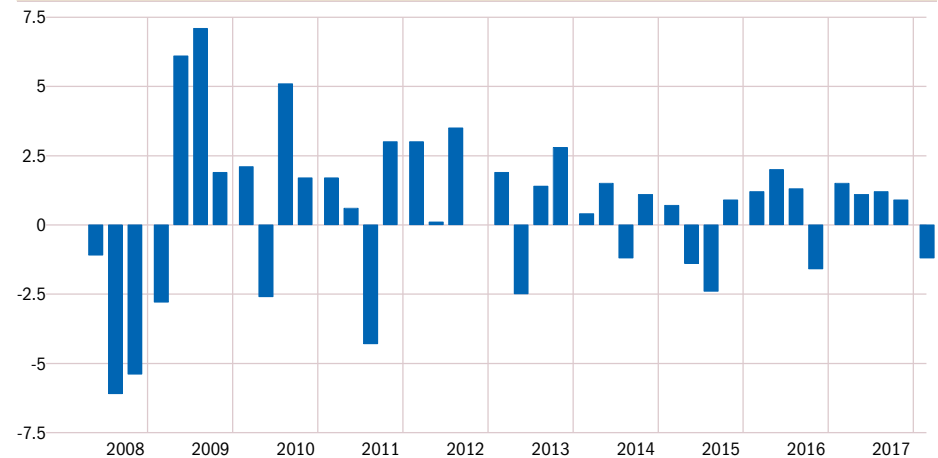


## Strategy Return Analysis As of March 31, 2018

### Total Return Analysis April 2008 - March 2018

	Strategy Composite (Gross)		Strategy Composite (Net)	
Best 4 Consecutive Quarters	21.4%	Apr 2009 - Mar 2010	18.2%	Apr 2009 - Mar 2010
Best Quarter	7.8%	Jul 2009	7.1%	Jul 2009
Worst 4 Consecutive Quarters	-12.3%	Apr 2008 - Mar 2009	-14.7%	Apr 2008 - Mar 2009
Worst Quarter	-5.5%	Jul 2008	-6.1%	Jul 2008
Number of Qtrs to Recover (Worst Quarter)	4		6	
Largest Decline	-12.3%	Apr 2008 - Mar 2009	-14.7%	Apr 2008 - Mar 2009
Number of Qtrs to Recover (Largest Decline)	2		4	
Number of Up/Down Quarters	28/12		28/12	
Number of Up/Down Calendar Years	9/0		8/1	

### Quarterly Total Return (%) Strategy Composite (Net)



### Risk Analysis April 2008 - March 2018

	Annualized Return			Standard Deviation		Downside Risk		Sharpe Ratio		Risk-Adjusted Performance (RAP)		Strategy Composite (Gross)						
	Strategy Composite (Gross)	Strategy Composite (Net)	Style*	Strategy Composite (Gross)	Style*	Strategy Composite (Gross)	Style*	Strategy Composite (Gross)	Style*	Strategy Composite (Gross)	Style*	Alpha**	Beta**	R-Squared**	Tracking Error**	Info Ratio**	Up Mkt Capture Ratio**	Down Mkt Capture Ratio**
3 Year	3.7	1.1	3.4	3.0	2.9	2.4	2.3	1.1	1.0	1.4	1.3	0.2	1.0	0.9	0.8	0.4	106.6	100.0
5 Year	4.2	1.5	4.7	3.1	2.9	2.4	2.3	1.3	1.5	1.6	1.9	-0.8	1.0	0.9	1.1	-0.4	93.8	114.7
7 Year	4.9	2.2	5.5	3.7	3.2	2.9	2.4	1.3	1.7	1.6	2.2	-1.5	1.1	0.9	1.3	-0.4	97.7	140.6
10 Year	4.9	2.2	5.4	5.5	4.6	4.1	3.3	0.9	1.1	1.2	1.6	-1.5	1.2	0.9	1.6	-0.3	103.7	137.2

Based on quarterly performance data.

\* Style Index: From 01/01/2018 through current quarter end: 11% ICE BofAML Global Broad Mkt ex USD TR Hedged, 17% ICE BofAML US Treas & Agency Mstr, 11% ICE BofAML US Corp Master, 4% ICE BofAML HY Mstr Cash Only, 5% MSCIWRLDXUSA\_N, 1% MSCI EM Net, 5% Russell 1000G, 8% Russell 1000V, 1% Russell 2000G, 1% Russell 2000V, 14% ICE BofAML Mortgage Mstr, 22% ICE BofAML 3mo US T-bill. See important disclosure below and the User's Guide to Profiles for Style Index composition for prior periods. Strategy Composite = Strategy Composite return of the mix of Current Style Manager(s)/Fund(s) and/or Previous Style Manager(s)/Fund(s) (if applicable). See below disclosure for additional information.

\*\* Calculation based on the Style Index.

Strategy Composite=Strategy Composite return of the mix of Current Style Manager(s)/Fund(s) and/or Previous Style Manager(s)/Fund(s) (if applicable). See below disclosure for additional information.

Performance information and other data included in this Profile is as of the quarter-end date indicated above and subject to change. Prior to selecting a Strategy you should review the entire Profile and the User's Guide to the Profile. Prior period returns may have been restated. Past performance does not guarantee future results. Please ask your advisor for more information. Certain data and other information shown have been supplied by outside sources, including a Style Manager(s), and are believed to be reliable as of the date indicated. Portfolio Analysis is based on the aggregate of all holdings in the composite. Individual client portfolios can vary. Performance data is calculated using quarterly returns and is shown before the deduction of fees ("gross") and after the deduction of the maximum program fee ("net"). Please see the Program fee schedule for information regarding fees and the maximum fee charged. The performance shown is composite performance. The composite results shown are affected by the methodology used to select accounts/funds and the size and number of accounts/funds in the composite, which can vary among managers. Individual client performance can vary. Additional composite performance relative to the Style Manager's Style Index is reflected in this Profile. Clients should review the entire Profile for information regarding the performance shown and the Style Manager's Style Index, as well as the impact of fees, which will reduce performance results. The compounding effect of fees on performance is generally reflected in this Profile in the Annualized Performance chart. Clients should review the Client Agreement and Merrill Lynch Program disclosure statement for a full description of the Program and its fees. For a detailed description of the composite (and when actual performance is included, if any) please see the disclosure in this Profile for this and other important information.

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This Strategy was initially made available to clients in the Merrill Lynch Investment Advisory Program (the "Program") in September, 2013.

Strategy Composite performance does not reflect any Program account's performance prior to this above date and may not reflect any Program account's performance for a time period following this date. A Program account's performance is reflected in the Strategy Composite performance when it meets the criteria for inclusion in the MAA Composite. For additional information about the MAA composite, refer to the User's Guide to Profiles.

Strategy Composite performance results for this Strategy represent:

Performance shown prior to January 1, 2014 represents performance of a substantially similar investment portfolio managed for purposes of another mutual fund-only investment program offered by Merrill Lynch (the "MFA Portfolio"). The investment process, due diligence, and portfolio construction for this Managed Strategy do not materially differ from those for the MFA Portfolio, nor does the investment objective. However, unlike the MFA Portfolio, this Managed Strategy may invest in ETF(s) and/or ETN(s). If the MFA Portfolio had invested in ETF(s) and/or ETN(s), performance prior to January 1, 2014 would have differed from that shown above.

**MAA Composite.** From January 1, 2005, through quarter-end date indicated above, Strategy Composite performance results shown represent the performance of all unconstrained accounts managed by MAA in this Strategy for at least one full calendar month, including such accounts in another Merrill Lynch and/or Bank of America National Association program(s), where this Strategy is also offered.

Please note, since this Strategy was launched at Merrill Lynch there have been changes in the Style Manager(s) and/or Fund(s) in this Strategy. Please note, Strategy Composite performance results shown on this Profile may include a combination of current and previous Style Managers(s) and/or Fund(s).

Strategy Composite performance results shown, if any, are affected by the methodology used by MAA or a Style Manager (if applicable) to select accounts and the size and number of accounts in the Strategy Composite, which can vary. All performance results reflect realized and unrealized appreciation and the reinvestment of dividends and interest. Taxes have not been deducted. Mutual fund performance (if any) is based upon the net asset value of each fund, which is net of fees and expenses. ETF/ETN (Exchange Traded Funds/Exchange Traded Notes) performance (if any) is based on the change in market value and includes dividend income net of fees.

The performance of a client's Program account and other Strategy Composite characteristics generally summarized on this Profile may differ from the Strategy Composite performance results or characteristics shown due to factors such as: timing of enrollment in the Program, changes in the securities included in the Strategy; accounts holding fewer securities than larger institutional accounts or mutual funds, the results of which may be included in the performance results shown of the Style Manager Composite (if applicable); changes over time in the number, types, availability and diversity of securities held; economies of scale, regulations and other factors applicable to large institutional accounts and the management of mutual funds; past economic and market conditions which could have changed asset allocation and rebalancing decisions; and gains and losses caused by currency transactions and client imposed restrictions, including restrictions related to investing in equity, fixed income or other securities issued, sponsored, or underwritten by Bank of America, Merrill Lynch and other affiliates of Bank of America or Merrill Lynch.

Performance results, if any, are shown "gross" or "(before fees)" which reflects the performance before the deduction of Program Fees. Performance results are also shown "net" or "(after fees)" which reflects the performance of the Strategy after the deduction of Program Fees. The "net of fee performance" information shown on this Profile is calculated to reflect the deduction of the maximum Program Fee Rate of 2.2% that can be currently charged for this Strategy in the Program which may be different from your actual Program Fee Rate.

The maximum Program Fee Rate that can currently be charged for this Strategy starting on February 1, 2017, is 2.2%, which is based on the maximum Merrill Lynch Fee Rate of 2.20% plus the maximum Style Manager Expense Rate. Prior to February 1, 2017, the net of fee performance information shown is calculated to reflect the deduction of the maximum Merrill Lynch

Fee Rate of 2.70% then in effect, plus the Style Manager Expense Rate shown on page 1. Fee rates presented in this Profile reflect the maximum fee rates that could be charged for this Strategy in the Program. The actual Program Fee Rate applicable to your investment in this Strategy may differ from the maximum Program Fee Rate based on the Merrill Lynch Fee Rate that you and your advisor agreed to implement for your account. Your Portfolio Summary will list the Program Fee applicable to your Portfolio.

For a Strategy with more than one Style Manager, the maximum Style Manager Expense Rate for purposes of the net of fee performance information shown on this Profile is the highest Style Manager Expense Rate of the Style Managers in this Strategy listed on page 1 of this Profile. If such Style Manager list changes, the maximum Style Manager Expense Rate may change for purposes of the net of fee performance information.

Client account performance will be reduced by the deduction of the Program Fee which covers, among other things, Merrill Lynch transaction and other account related services, Merrill Lynch's investment management services, and the Style Manager's services.

The compound impact on Strategy Composite performance of the deduction of fees is determined by the account size, the amount of the fee, the time period, and the gross investment performance. This compounding effect is generally reflected in the Annualized Performance chart.

The Style Index is designed to provide a relevant market comparison to the performance of the Strategy. It can be either a single market index benchmark or a combination of indexes. It is constructed by combining the performance of indexes identified above according to the percentage allocations noted. The Style Index is unmanaged and results shown are not reduced by fees. Securities contained in the Style Index will vary from those in the account. It is not possible to invest directly in a Style Index. The Russell Indexes are trademarks of the Frank Russell Company. MSCI Indexes are trademarks of Morgan Stanley Capital International. For additional information on style index selection, please refer to the Users Guide to Profiles included in your Welcome Kit or available upon request from your advisor.

The **Style Index** is composed as follows:

**From 01/01/2018 through current quarter end:**

11% ICE BofAML Global Broad Mkt ex USD TR Hedged | 17% ICE BofAML US Treas&Agency Mstr | 11% ICE BofAML US Corp Master | 4% ICE BofAML HY Mstr Cash Only | 5% MSCIWRLDxUSA\_N | 1% MSCI EM Net | 5% Russell 1000G | 8% Russell 1000V | 1% Russell 2000G | 1% Russell 2000V | 14% ICE BofAML Mortgage Mstr | 22% ICE BofAML 3mo US T-bill

**From 02/01/2017 to 12/31/2017:**

12% ICE BofAML Global Broad Mkt ex USD TR Hedged | 17% ICE BofAML US Treas&Agency Mstr | 10% ICE BofAML US Corp Master | 4% ICE BofAML HY Mstr Cash Only | 5% MSCIWRLDxUSA\_N | 1% MSCI EM Net | 5% Russell 1000G | 8% Russell 1000V | 1% Russell 2000G | 1% Russell 2000V | 12% ICE BofAML Mortgage Mstr | 24% ICE BofAML 3mo US T-bill

**From 01/01/2014 to 01/31/2017:**

73% ICE BofAML US Broad Market Bond | 27% Russell 3000

Merrill Lynch is aligning the Strategy's Style Index composition and allocations with the strategic asset allocation guidelines approved by the GWIM CIO. The GWIM CIO believes the Style Index and this approach to Style Index composition and allocation provides an appropriate performance comparison to the Strategy's performance in light of the manner by which the GWIM CIO manages the Strategy's model. **Please see the User's Guide to Profiles for additional information on the Style Index and its composition.** This change does not impact the implementation of this investment style in your account. For additional information regarding the change, please contact your advisor.

When Managed Account Advisors LLC (MAA) is implementing the Strategy, its implementation could result in performance that is materially different than the results that each Style Manager would achieve if it managed clients' accounts directly. These potential differences generally result from restrictions applicable to MAA relating to transactions in securities issued, sponsored, or underwritten by Bank of America, Merrill Lynch and other affiliates of Bank of America or Merrill Lynch and regulatory restrictions applicable to MAA and its affiliates, and/or their internal policies. Accordingly, Merrill Lynch cannot

*Disclosure information continued on page 6*

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assure that the performance of client accounts will be similar to the past performance shown on this Profile when the Style Manager implemented its investment decisions directly.

However, after considering among other factors, information and representations provided by the Style Manager, Merrill Lynch believes that the past performance of the Style Manager is reasonably representative of the Strategy as it has been or will be implemented in the Program by MAA and is sufficiently relevant for consideration by a potential or existing client.

Managed Account Advisors LLC (MAA), an affiliate of Merrill Lynch, is responsible for allocating the assets as described on the first page of this Profile, rebalancing (if any) as applicable, and administering client accounts. MAA, actively manages your account's investments and may rebalance these investments to the Strategy's target allocations at any time. In addition, the Components of the Strategy and the allocation among Components may be changed by Merrill Lynch at any time without prior notice to clients. These changes could have a negative impact for clients. For example, changes to the allocations of Components in the Strategy or changes to the types of Components could result in unexpected tax liabilities depending on client circumstances. In addition, over time, the allocations to Components in the Strategy could materially differ from the allocations at the time of investment. Exposure to cash and cash alternatives in this Strategy will generally be the result of the overall asset allocation determined by Merrill Lynch. Additionally, this Strategy may have a temporary allocation to cash alternative investments to facilitate client contributions or withdrawals and fees.

Managed Account Advisors LLC (MAA), an affiliate of Merrill Lynch, is the overlay portfolio manager for this Strategy. The Style Manager provides advisory services by furnishing investment recommendations to MAA for the Strategy based on the Strategy's model, which includes the specific securities and the percentage allocation of each security to be held in Program client accounts. These investment recommendations are updated by the Style Manager whenever its recommendations change. MAA generally implements the investment advice without change, subject to any reasonable client-imposed restrictions, cash flow and other considerations.

MAA, Merrill Lynch and its advisors do not provide tax, accounting or legal advice. You should review any planned financial transactions or arrangements that may have tax, accounting or legal implications with your personal professional advisors.

Certain data and other information shown on this Profile have been supplied by outside sources and are believed to be reliable as of the date indicated. Ask your advisor or refer to the User's Guide to the Profile for additional information about the data and terms contained in this Profile. For a full description of the Program and its fees, see the Client Agreement and the Program Brochure. For additional data about the Strategy's characteristics, please refer to the Profile Update for the Strategy.

Investments have varying degrees of risk. Some of the risks involved with equities include the possibility that the value of the stocks may fluctuate in response to events specific to the companies or markets, as well as economic, political or social events in the U.S. or abroad. Bonds are subject to interest rate, inflation and credit risks. Investments in high-yield bonds may be subject to greater market fluctuations and risk of loss of income and principal than securities in higher rated categories. Investments in foreign securities (including ADRs) involve special risks, including foreign currency risk and the possibility of substantial volatility due to adverse political, economic or other developments. These risks are magnified for investments made in emerging markets. Investments in a certain industry or sector may pose additional risk due to lack of diversification and sector concentration. Investments in real estate securities can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates, and risk related to renting properties, such as rental defaults. There are special risks associated with an investment in commodities, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors.

Municipal securities can be significantly affected by political changes as well as uncertainties in the municipal market related to taxation, legislative changes, or the rights of municipal security holders. Budgetary constraints of local, state, and federal governments upon which the issuers may be relying for funding may also impact municipal securities. In addition, changes in the financial condition of an individual municipal insurer can affect the overall municipal market, and market conditions may directly impact the liquidity and valuation of municipal securities. Income from investing in municipal bonds

is generally exempt from Federal and state taxes for residents of the issuing state. While the interest income is tax-exempt, any capital gains distributed are taxable to the investor. Income for some investors may be subject to the Federal Alternative Minimum Tax (AMT).

Each account may hold shares of one or more fee-waived mutual funds or other pooled investment vehicles that are not traded on a securities exchange (the "Funds"). Transaction and other costs for purchases and sales of securities in the Funds are paid by the Funds. These fees are indirectly borne by account holders who own the Funds, in proportion to their ownership, and are in addition to the Program Fee. As a result, a client may be deemed to be paying duplicative fees for brokerage and certain other services. Each account in this Strategy also may hold shares of ETFs and/or ETNs. Investment management and related fees associated with ETFs and/or ETNs are generally paid by the ETF and/or ETN from its assets and are in addition to the Program Fee. Clients are responsible for the Merrill Lynch Program Fees as well as their proportionate share of all fees and expenses incurred by the Funds and ETFs and/or ETNs in their account, including commissions and other transaction-related charges, and shareholder expenses such as Fund redemption fees and contingent deferred sales charges.

If Funds are held in your account, the fees and expenses incurred by each Fund may be in addition to certain of the expenses covered by the Program Fee. Among other services provided, Merrill Lynch and its related companies may affect transactions for any of these Funds, including on a principal basis, and any compensation paid to Merrill Lynch or its related companies by the Funds, or their affiliates, is in addition to the Program Fee. Each Fund or its affiliate also compensates Merrill Lynch for sub accounting services of either up to 0.15% per year of the amount invested in such Fund or up to \$21 annually for each client account invested in the Fund. For more information, please refer to the document entitled "Mutual Fund Investing at Merrill Lynch" available at [www.ml.com/funds](http://www.ml.com/funds) and also available from your advisor upon request. These compensation arrangements may create conflicts of interest between you and your advisor and Merrill Lynch, and may create a financial incentive for your advisor to suggest one Strategy over another.

Any Funds, ETFs and/or ETNs that are included in a client's account should not be considered recommendations or solicitations and may not have been, nor in the future be, profitable. For a current prospectus or offering document of any of the Funds, ETFs, and/or ETNs available, which contains more complete information, please contact your advisor. Before investing, carefully consider the investment objectives, risks, and charges and expenses of the security. This and other information may be found in each prospectus or offering document. Read the prospectus or offering document carefully before you invest.

Clients may impose reasonable restrictions on the types of Funds, ETFs and/or ETNs that Merrill Lynch can purchase for their accounts, but may not impose investment restrictions on the securities held by any Fund, ETF and/or ETN.

Certain investments may be classified as alternative investments. Alternative investments are intended to generate returns that are not highly correlated to traditional, long-only stock and bond funds. These may include investments in asset classes such as commodities and real estate, as well as investments in non-traditional funds ("NTFs"). NTFs are investments such as mutual funds and ETFs that we classify as alternative investments because of the investment strategies used and/or the alternative asset exposure they provide. Though stocks and bonds may be held in NTFs, they may also hold other asset classes and may use short selling, leverage and derivatives. The strategies employed by NTFs are often used by hedge funds and other alternative investment vehicles. In addition, Merrill Lynch believes that these investment vehicles can provide diversification benefits to traditional stock and bond strategies, particularly for those clients who are currently ineligible to invest in hedge funds or have a strong preference for liquidity. Clients must carefully review the prospectus or offering materials for any particular fund/pooled vehicle and consider your ability to bear these risks before any decision to invest.

Diversification and asset allocation do not guarantee a profit or protect against a loss in declining markets. The lack of both a fixed income and an equity component in Completion Portfolios may pose additional risks due the lack of diversification.

Merrill Lynch may classify NTFs, as 'Alternative Investments' on your asset allocation reporting because we believe that may be a more accurate characterization of the risk/return attributes of these investments than classifying them as equity and/or fixed income. It is important to note that because NTFs are registered under the Investment Company Act of 1940 (the "40 Act"), they are subject to certain restrictions imposed by the '40 Act, which cause them to be an imperfect substitute for

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unregistered alternative investments.

Cash alternatives are not federally guaranteed and it is possible to lose money with the investment.

Merrill Lynch Wealth Management makes available products and services offered by MLPF&S, a registered broker dealer and Member of SIPC and other subsidiaries of Bank of America Corporation.

Investment products: 

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