

Non-Mortgage Credit Product Offerings



	Product	Common Client Needs	Credit Terms	Set-up and Access	Rate Factors and Pricing	Advisor Compensation
Securities Based Lending (SBL)	Margin Extension of credit based on securities in client's eligible Merrill brokerage accounts.	<ul style="list-style-type: none"> Immediate access to liquidity for unexpected expenses, operating expenses or implementation of investment strategies Use funds to cover trade settlements 	<ul style="list-style-type: none"> No set term, minimum draws, or balance Flexible repayment schedule as long as the required level of equity is maintained Overdraft protection Demand loan Lender - Merrill Lynch Pierce Fenner and Smith 	<ul style="list-style-type: none"> No separate application¹ Access through trading or via checks, wire transfers, JEs 	<ul style="list-style-type: none"> Merrill Base Lending Rate +/- a spread based on amount borrowed. 	<ul style="list-style-type: none"> Merrill advisors are compensated based on loan revenue.
	Loan Management Account® (LMA® account) Flexible line of credit based on securities in client's eligible pledged Merrill brokerage accounts.	<ul style="list-style-type: none"> Easy access to liquidity for current and future needs such as tax payments, repairs, education or business expenses. Quick access to funds with a simple application process. 	<ul style="list-style-type: none"> \$100,000 minimum credit line No set term, minimum draws, or balance Variable and fixed rate advances Flexible repayment schedule as long as the required level of equity is maintained Overdraft protection for eligible pledged accounts Stand-by Letters of Credit Structures may include additional pledgors and guarantors Demand loan² Lender - Bank of America, N.A. 	<ul style="list-style-type: none"> No fee application Typically approved within 1-2 days of fully executed client documents^{3,4} Consumer credit bureau report may be ordered for individual credit parties Access via checks, wire transfers, JEs, ACH 	<ul style="list-style-type: none"> LIBOR plus a spread based on relationship size. 	<ul style="list-style-type: none"> Merrill advisors are compensated based on loan revenue.
	International Securities Based Lending (ISBL) Multi-currency line of credit that uses securities in eligible Merrill brokerage accounts including non-USD assets. ⁵ Available through International Financial Advisors (IFAs).	<ul style="list-style-type: none"> Make real estate purchases abroad Purchase USD and non-USD investments and manage USD and non-USD income and expenses 	<ul style="list-style-type: none"> No set term, minimum draws, or balance Call and fixed rate advances available Flexible repayment schedule as long as the required level of equity is maintained Foreign exchange spot trade transactions Stand-by Letters of Credit Structures may include additional pledgors and guarantors Demand loan Lender - Merrill Lynch Bank and Trust Company (Cayman) Limited 	<ul style="list-style-type: none"> No fee application Typically approved within 2 days of fully executed client documents Access through wire into Merrill brokerage account 	<ul style="list-style-type: none"> Base Lending Rate plus a spread based on facility size 	<ul style="list-style-type: none"> Merrill advisors are compensated based on loan revenue.

Continued on next page

Please carefully review and compare the Risk Factors for each Product on pages 3 and 4. The descriptions contained herein are subject to change and updates at lender's discretion. For a complete description of the risks and loan terms, please refer to each Product's respective loan documents

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Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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	Product	Common Client Needs	Credit Terms	Set-up and Access	Rate Factors and Pricing	Advisor Compensation
Custom Lending	Custom Lending Committed Line Provides high-net worth clients access to large dollar lines of credit and loans using marketable securities, real property, fine art, aircraft and yachts as collateral along with unsecured lines of credit.	<ul style="list-style-type: none"> Access to liquidity using customizable financing terms to fund real estate investments, luxury purchases, business opportunities or even large, unexpected expenses. 	<ul style="list-style-type: none"> Generally for credit needs > \$3MM Personal guarantee typically required Term loans, lines of credit and other structures Stand-by Letters of Credit Committed loan Legal lender - Bank of America, N.A. 	<ul style="list-style-type: none"> Full underwriting May require outside counsel, work, commitment and unused fees Approval timing varies based on collateral type Consumer credit bureau report may be ordered for individual credit parties Access to funds based on loan agreement 	<ul style="list-style-type: none"> Typically LIBOR plus spread based on a variety of factors including: loan size, collateral type, risk factors and tenor 	<ul style="list-style-type: none"> Merrill advisors are compensated based on loan revenue.
	Custom Lending Advised Line Provides high-net worth clients access to large dollar lines of credit and loans using marketable securities as collateral along with unsecured lines of credit.	<ul style="list-style-type: none"> Access to liquidity using customizable financing terms to fund real estate investments, luxury purchases, business opportunities or even large, unexpected expenses. 	<ul style="list-style-type: none"> Generally for credit needs > \$3MM Personal guarantee typically required Term loans, lines of credit and other structures up to 2 years Uncommitted until drawn. Once drawn, the balance is committed until expiration of the facility (unless default) Legal lender - Bank of America, N.A. 	<ul style="list-style-type: none"> Full underwriting May require outside counsel or work fees No fee if unused. Approval timing varies based on collateral type Consumer credit bureau report may be ordered for individual credit parties Loan draws are at the discretion of the Bank 	<ul style="list-style-type: none"> Typically LIBOR plus a spread based on a variety of factors including: loan size, collateral type, risk factors and tenor 	<ul style="list-style-type: none"> Merrill advisors are compensated based on loan revenue.

Availability of Non-Purpose and Purpose Loans: Generally, client will select whether the loan will be designated as "Non-Purpose" or "Purpose", with the exception of Margin and ISBL that does not differentiate. Non-Purpose loans may not be used directly or indirectly to purchase securities or to repay debt incurred to buy margin stock. Non-Purpose loan proceeds must not be placed, or later transferred into, a securities or other account to cover a pending/new securities trade, or repay margin debt. Purpose loans may be used to purchase securities or to repay debt incurred to buy margin stock, but may be subject to lower advance and call rates, and withdrawal and substitution will be subject to compliance with Regulation U. Clients should review the Use of Proceeds policy to understand any applicable restrictions. Selection of "Purpose" may result in a higher pricing and different collateral requirements.

Please carefully review and compare the Risk Factors for each Product on pages 3 and 4.

End Notes:

1. No separate application unless account opened as cash account
2. Committed up to \$100,000 for individuals and trusts
3. Documents are standard and not negotiable
4. Additional requirements may apply for certain borrower types
5. Access to liquidity so long that the beneficial owner's country of residence resides in the core/limited coverage footprint.

Risk Factors

LMA Risks

Understanding risks associated with your LMA account

Securities-based financing involves special risks. You should review your LMA Loan Agreement and related documents and disclosures carefully and consult with your own independent tax and legal advisors. Some risks to consider include the following:

- A decline in the value of your collateral assets may require you to provide additional funds or securities to avoid a collateral maintenance call. You can lose more funds than are held in the collateral account. The LMA account is a full-recourse loan and you will be liable for any deficiency.
- The Bank can force the sale or other liquidation of any securities or other investment property in the collateral account and, unless otherwise required by law, can do so without first contacting you.
- You are not entitled to choose which securities in the collateral account are liquidated or sold.
- The Bank can change its collateral maintenance requirement at any time without notice to you.
- You are not entitled to an extension of time to satisfy the Bank's collateral maintenance requirement.
- There may be adverse tax or other consequences to you if securities are sold or otherwise liquidated by the Bank.
- The LMA account is an uncommitted facility, although loans to individuals and trusts may be committed in an amount not to exceed \$100,000. The Bank may demand full or partial repayment at any time and any commitment may be immediately terminated.
- For fixed-rate advances and term loans, principal payments made in advance of the end of the applicable fixed-rate period, whether voluntarily or involuntarily, (due to demand or liquidation by the Bank,) may be subject to a substantial breakage fee as determined by the Bank.
- Some restrictions on the use of LMA account proceeds may apply under the terms of your loan documents and applicable laws and regulations.

Margin Risk

When you purchase securities, you may pay for the securities in full, or if your account has been established as a margin account with the margin lending program, you may borrow part of the purchase price from Merrill. If you choose to borrow funds for your purchase, Merrill's collateral for the loan will be the securities purchased, other assets in your margin account, and your assets in any other accounts at Merrill. If the securities in your margin account decline in value, so does the value of the collateral supporting your loan, and, as a result, we can take action, such as to issue a margin call and/or sell securities in any of your accounts held with us, in order to maintain the required equity in your account. If your account has a Visa® card and/or checks, you may also create a margin debit if your withdrawals (by Visa card, checks, preauthorized debits, FTS or other transfers) exceed the sum of any available free credit balances plus available money account balances (such as bank deposit balances or money market funds). Please refer to your account documents for more information.

Before opening a margin account, you should carefully review the terms governing margin loans. For Individual Investor Accounts, these terms are contained in the Margin Lending Program Client Agreement. For all other accounts, the terms are in your account agreement and disclosures. It is important that you fully understand the risks involved in using margin. These risks include the following:

- You can lose more funds than you deposit in the margin account. A decline in the value of securities that are purchased on margin may require you to provide additional funds to use to avoid the forced sale of those securities or other securities or assets in your account(s).
- We can force the sale of securities or other assets in your account(s). If the equity in your account falls below the maintenance margin requirements or Merrill's higher "house" requirements, we can sell the securities or other

assets in any of your accounts held by us to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale. We can sell your securities or other assets without contacting you. Some investors mistakenly believe that they must be contacted for a margin call to be valid, and that securities or other assets in their accounts cannot be liquidated to meet the call unless they are contacted first. This is not the case. We will attempt to notify you of margin calls, but we are not required to do so. Even if we have contacted you and provided a specific date by which you can meet a margin call, we can still take necessary steps to protect our financial interests, including immediately selling the securities or other assets without notice to you.

- You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call. Because the securities or other assets are collateral for the margin loan, we have the right to decide which securities or other assets to sell in order to protect our interests.
- We can increase our "house" maintenance margin requirements at any time and are not required to provide you advance written notice. These changes in our policy may take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause us to liquidate or sell securities in your account(s).
- You are not entitled to an extension of time on a margin call. While an extension of time to meet margin requirements may be available to you under certain conditions, you do not have a right to the extension.

ISBL

Understanding your risks

Multi-currency lending facilities are securities-based financing solutions that involve special risks. You should review your credit agreement, related documents and disclosures carefully and consult with your own independent tax and legal advisors before taking out a loan or letter of credit. You should also carefully consider the following risks:

- A decline in the value of your collateral assets may require you to provide additional funds or securities to avoid a collateral maintenance call. You can lose more funds than are held in the collateral account. The multi-currency lending facility is a full-recourse loan and you will be liable for any deficiency. An ISBL facility requires a brokerage account at Merrill Lynch, Pierce, Fenner & Smith Incorporated, sufficient eligible collateral to support the ISBL lending facility and all collateral is subject to the Bank's credit approval.
- The Bank can force the sale or other liquidation of any securities or other investment property in the collateral account and, unless otherwise required by law, can do so without first contacting you. You are not entitled to choose which securities in the collateral account are liquidated or sold.
- The Bank can change its collateral maintenance requirement at any time without notice to you. You are not entitled to an extension of time to satisfy the Bank's collateral maintenance requirement.
- There may be adverse tax or other consequences to you if securities are sold or otherwise liquidated by the Bank.
- The multi-currency lending facility is an uncommitted facility. The Bank may demand full or partial repayment at any time.
- For fixed-rate advances, principal payments made in advance of the end of the applicable fixed-rate period, whether voluntarily or involuntarily, (due to demand or liquidation by the Bank,) may be subject to a substantial breakage fee as determined by the Bank.
- Cross-currency investments may amplify losses. If the value of the pledged collateral falls relative to the outstanding liabilities or the liabilities increase because of foreign exchange fluctuations, additional collateral may be required or collateral may be liquidated (which may also result in losses and trigger tax liabilities).

Borrowing in a foreign currency involves additional risks, including having an obligation to repay in a currency that is not the currency of the country of your residence or the currency in which you receive income or hold assets, which might be a source of repayment. Also, there is a potential for one currency to rise or to decrease in value against another currency, which can result in significant disparity between them which can occur at any point in time.


Before engaging in any foreign currency transaction you should understand the risks, including market, credit, sovereign, liquidity and cross-currency risks. Borrowing in a foreign currency may not be in the best interest of all investors.

Strategies for managing risk

Carefully choosing the quality of your investments can help reduce the likelihood of a collateral call. Other risk management strategies you should consider include:

- Borrowing less than the maximum allowable against your collateral accounts.
- Borrowing against a portfolio of less-volatile securities, such as Treasury securities, high-grade corporate bonds or blue-chip stocks.
- Diversifying your portfolio through an asset allocation strategy that minimizes exposure to losses in one sector of the economy.
- Reviewing your portfolio carefully, especially in periods of volatility, so that you can take appropriate steps to avoid a collateral call.

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Custom Lending

Understanding your risks

Custom lending offers a range of lending structures that may be more tailored to the specific need and can include unsecured lending as well as many other types of collateral, including marketable securities, investor commercial real estate, recreational real estate, such as a ranch or vineyard, hedge fund positions and fine art collections. There will be different risks associated with each customized lending transaction depending on the lending structure and collateral type. You should carefully review your credit agreement, related documents and risk disclosures to understand those risks.

For Custom loans secured by marketable securities the same risks for LMA may apply. A full risk disclosure will be provided as part of loan transaction or by request.

Credit facilities are provided by Bank of America, N.A., Member FDIC, its subsidiaries or other bank subsidiaries of Bank of America Corporation, each an Equal Opportunity Lender. All loans and collateral are subject to credit approval and may require the filing of financing statements or other lien notices in public records. Asset-based and securities-based financing involves special risks and is not for everyone. When considering an asset-based and/or securities-based loan, consideration should be given to individual requirements, asset portfolio composition, and risk tolerance, as well as capital gains, portfolio performance expectations and investment time horizon. For any loan with securities collateral, the securities or other assets in any collateral account may be sold to meet a collateral call as provided in the definitive loan documents and the client is not entitled to choose which securities or other assets will be sold. A complete description of the loan terms will be found in the individual credit facility documentation and agreements. Clients should consult with their own independent tax and legal advisors. Equal Housing Lender.

LMA

The Loan Management Account (LMA account) is a demand line of credit provided by Bank of America, N.A., Member FDIC. Equal Opportunity Lender. The LMA account requires a brokerage account at Merrill Lynch, Pierce, Fenner & Smith Incorporated and sufficient eligible collateral to support a minimum credit facility size of \$100,000. All securities are subject to credit approval and Bank of America, N.A. may change its collateral maintenance requirements at any time. Securities-based financing involves special risks and is not for everyone. When considering a securities-based loan, consideration should be given to individual requirements, portfolio composition and risk tolerance, as well as capital gains, portfolio performance expectations and investment time horizon. The securities or other assets in any collateral account may be sold to meet a collateral call without notice to the client, the client is not entitled to an extension of time on the collateral call and the client is not entitled to choose which securities or other assets will be sold. The client can lose more funds than deposited in such collateral account. The LMA account is uncommitted and Bank of America, N.A. may demand full repayment at any time. A complete description of the loan terms can be found within the LMA account agreement. Clients should consult their own independent tax and legal advisors. Some restrictions may apply to purpose loans and not all managed accounts are eligible as collateral. All applications for LMA accounts are subject to approval by Bank of America, N.A. For fixed-rate and term advances, principal payments made prior to the due date will be subject to a breakage fee.