

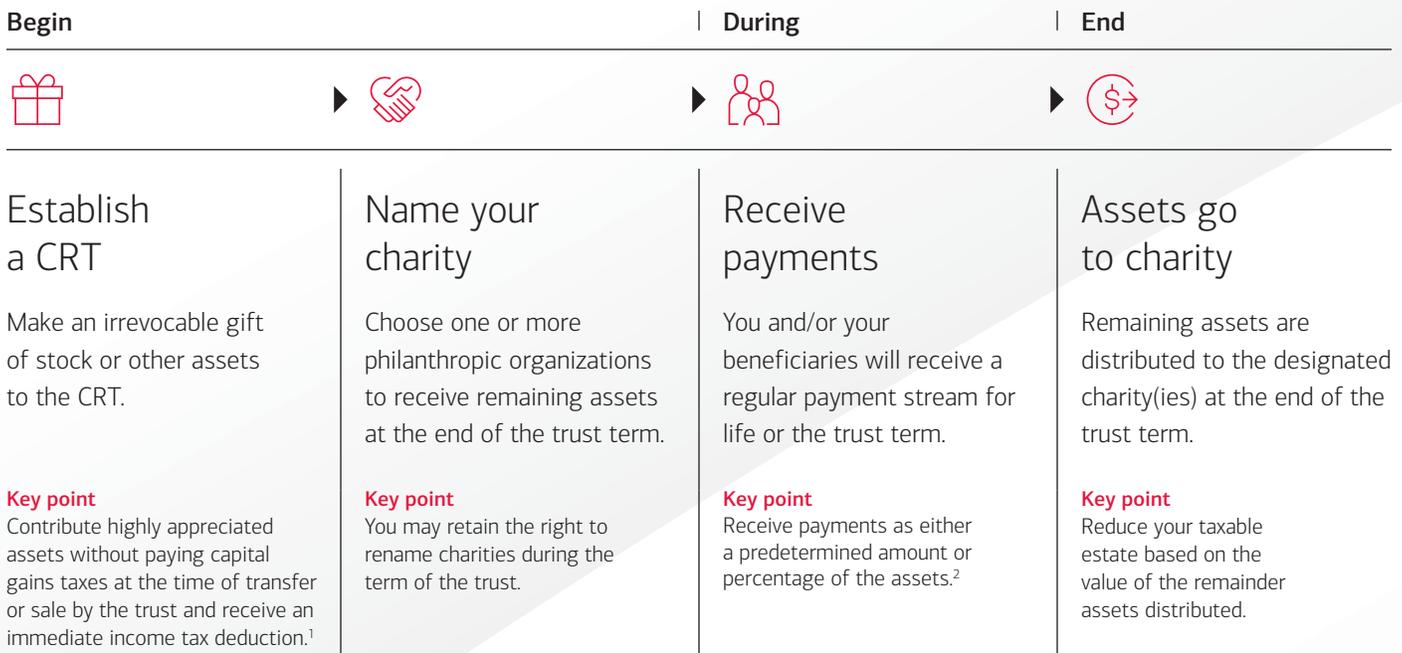
# Charitable remainder trust

## Bank of America fiduciary services for Merrill clients

Deciding on a charitable giving strategy is personal. Like many philanthropists, you want to be able to direct your wealth in a way that reflects your desire to give back, your passion to make a positive impact on society and your values. But it's also important to consider a structured approach to philanthropy that will work financially for you and your family.

### Pursue your philanthropic goals while generating a payment stream

A charitable remainder trust (CRT) can help you take care of what matters most to you. By allowing you or your beneficiaries to receive tax-deferred payment from your assets and leave the balance to your favorite charities, a CRT can help you maximize the impact of your gift on the organizations you support while providing for your family.



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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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## Target-specific financial goals

- **Get an immediate tax deduction.** You may receive an upfront charitable income and gift tax deduction for the amount that is considered a charitable gift.
- **Minimize capital gains tax.** After contribution, your gifted property or stock can be sold by the trustee without triggering capital gains taxes at the time of the sale. As a result, 100% of the proceeds can then be reinvested in a diversified portfolio for growth, income or total return.
- **Qualify for additional tax advantages.** Charitable remainder trusts that name the donor and spouse as beneficiaries typically qualify for the unlimited marital deduction. However, naming a beneficiary other than the donor or spouse in the same trust could result in gift taxes.
- **Diversify concentrated stock.** A charitable remainder trust can provide a tax-efficient way to manage a concentrated stock position. By using the stock to fund the trust, the trustee can diversify all or a portion of the concentrated stock without having to pay capital gains tax at the time of sale. You or the designated beneficiaries would pay tax only as you receive your annual distribution from the trust.
- **Lower your taxable estate.** A charitable remainder trust can remove appreciated assets from your taxable estate.

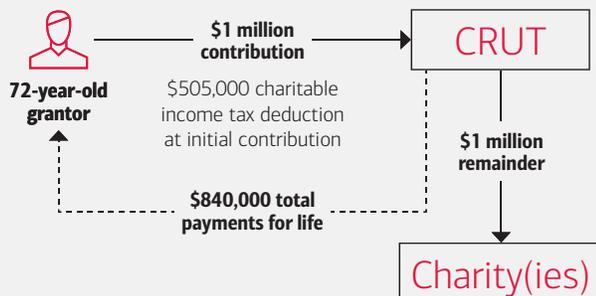
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**For more information, call your Merrill Wealth Management Advisor.**

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## Charitable remainder trust example

The following is an example of a \$1 million charitable remainder unitrust (CRUT), which is a type of charitable remainder trust.



### Assumptions

- CRUT established when IRS discount rate is 2.0%
- Provides 6% annual payment
- CRUT recipient will live another 14 years
- Trust income is 2% and capital appreciation is 4% annually

Actual returns and results may vary. If the total return is less than the 6% illustrated, amounts paid to individuals will be less and could be less than the original principal amount. This illustration does not include fees, which may vary depending on how the trust is set up.

**Working together, Bank of America and Merrill bring you the capabilities of one of the nation's leading trust organizations and a premier global investment firm.**

Your Merrill Wealth Management Advisor can work with you on an approach designed to provide the specific services you need in the way that works for you. The result is a relationship supported by the investment insights of Merrill and the deep fiduciary experience of Bank of America — a relationship dedicated to helping you address your unique goals and priorities.

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<sup>1</sup> Income tax deduction for the amount that is considered a charitable gift.

<sup>2</sup> Payments to you or your beneficiaries may be taxable, depending on the type of income received from the trust.

Diversification does not ensure a profit or protect against loss in declining markets.

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