

# Explanation of fees



At Merrill Lynch, you work one-on-one with your advisor on a comprehensive financial strategy designed to help you pursue what matters most to you. It's important that you understand what the fees are for your relationship, including the fees associated with our investment solutions. We believe the better informed you are, the better decisions you can make about what's right for you — whether it's investing through our investment advisory services or brokerage accounts.

## INVESTMENT ADVISORY SERVICES

- Ongoing advice and active monitoring of your investments, trade execution and other advisory services
- Choice of discretion and authority over investment decisions
- Asset-based fee based on a percentage of the assets in your account

### Investment Advisory Program →

You will pay a fee you agree to with your advisor subject to a maximum rate of 2.00%. If you choose a strategy managed by an investment manager, you may also pay the Style Manager Expense Rate.

### Strategic Portfolio Advisor →

You will pay a fee you agree to with your advisor subject to a maximum rate based on strategy type. Note: this does not include the investment manager's fee which is part of your agreement with the selected investment manager.

*For more detailed fee information, click on the* →

## BROKERAGE ACCOUNTS

- Access to advice and investment recommendations and to trade execution
- Transactions must be authorized by you
- Transactional fee on individual purchases and sell transactions

### Secondary Market Equity Transactions →

You will pay a commission based on the principal value of the trade that can range from 0.50% to 5.00%.

### Secondary Market Fixed Income Transactions →

For purchases, you may pay a "mark-up" on top of the security price. For sales, you will receive the sales price less a "mark-down" amount.

### Mutual Funds and Money Market Funds →

The fee you will pay varies based on the share class and the fund's own designated pricing schedule.

## ADDITIONAL INVESTMENT SOLUTIONS

### Listed Options →

### New Issue Offerings →

### Alternative Investments →

### High Net Worth Solutions →

### Annuities →



Merrill Lynch Wealth Management makes available products and services offered by Merrill Lynch, Pierce, Fenner & Smith ("MLPF&S"), a registered broker-dealer and Member SIPC, and other subsidiaries of Bank of America Corporation ("BoFA Corp."). Merrill Lynch Incorporated Life Agency Inc. ("MLLA") is a licensed insurance agency and wholly owned subsidiary of BoFA Corp. Investment products offered through MLPF&S and insurance and annuity products offered through MLLA:

<b>Are Not FDIC Insured</b>	<b>Are Not Bank Guaranteed</b>	<b>May Lose Value</b>
<b>Are Not Deposits</b>	<b>Are Not Insured by Any Federal Government Agency</b>	<b>Are Not a Condition to Any Banking Service or Activity</b>

## INVESTMENT ADVISORY SERVICES

### Merrill Lynch Investment Advisory Program (IAP)

Comprehensive fiduciary investment advisory program offering investment strategies with a choice of firm, advisor or your discretion.

Account assets	Merrill Lynch IAP fee
<b>Up to \$100 million</b>	Rate agreed to between you and your advisor up to 2.00%

The fee rate is subject to negotiation at the discretion of your advisor and Merrill Lynch. If you choose a strategy managed by an investment manager, you may also pay a Style Manager Expense Rate in addition to the above, which generally ranges from 0.10% to 0.65%. Strategy specific rates and the [IAP brochure](#) are available on [mymerrill.com/ADV/materials](http://mymerrill.com/ADV/materials) or through your advisor.

### Strategic Portfolio Advisor (SPA)

Fiduciary investment advisory program for institutions and high net worth individuals.

Strategy	Merrill Lynch SPA fee
<b>Equity strategies</b>	Rate agreed to between you and your advisor up to 1.50%
<b>Fixed income</b>	Rate agreed to between you and your advisor up to 0.70%

The above fees are subject to breakpoints and can be reduced based on the dollar value of the assets in the program. The Merrill Lynch SPA fee is in addition to the SPA investment manager's fee, which is part of a separate agreement you will enter into with the selected investment manager. Please review the [SPA brochure](#).

See [Important Information](#) for additional details.

## BROKERAGE ACCOUNTS - SECONDARY MARKET TRANSACTIONS

### Equity Transactions

Includes common stock, exchange traded funds, closed-end funds, certain listed preferred stocks and American Depositary Receipts.

You will pay a commission based on the principal value of the trade, which may be discounted. A portion of the fee is payable to your advisor.

Principal value (PV) of trade	Maximum commission	Top of tier cumulative PV	Top of tier blended rate
<b>First \$1,500</b>	5.00%	\$1,500	5.00%
<b>+ Next \$3,500</b>	2.25%	\$5,000	3.08%
<b>+ Next \$15,000</b>	1.75%	\$20,000	2.08%
<b>+ Next \$30,000</b>	1.50%	\$50,000	1.73%
<b>+ Next \$50,000</b>	1.00%	\$100,000	1.37%
<b>+ Next \$400,000</b>	0.75%	\$500,000	0.87%
<b>+ PV &gt; \$500,000</b>	0.50%	—	—

For example, if you purchase \$10,000 of stock ABC, the standard commission is calculated as follows:  $(\$1,500 \times 5\%) + (3,500 \times 2.25\%) + (5,000 \times 1.75\%) = \$241$ .

### Listed Options

Options contracts cleared by the Options Clearing Corporation that are traded on options exchanges.

You will pay a commission based on the principal value of the transaction and the number of contracts, which may be discounted. A portion of the fee is payable to your advisor.

Principal range x % of principal + fixed dollar			Number of contracts x dollars per contract + fixed dollar		
Principal range	% of principal	Fixed dollar	Number of contracts	Dollars per contract	Fixed dollar
<b>Under \$500</b>	15.00%	\$65	1 - 10	\$9	\$0
<b>\$500.01 - \$1,500</b>	1.50%	\$25	11 - 20	\$8	\$10
<b>\$1,500.01 - \$5,000</b>	1.30%	\$28	21 - 50	\$7	\$30
<b>\$5,000.01 - \$10,000</b>	1.00%	\$43	51 - 100	\$6	\$80
<b>\$10,000.01 - \$20,000</b>	0.90%	\$53	101 - 200	\$5	\$180
<b>\$20,000.01 - \$50,000</b>	0.80%	\$73	201 - 500	\$4	\$380
<b>\$50,000.01 +</b>	0.70%	\$123	501 +	\$3	\$880

For example, if you purchase 10 option contracts with an options premium of \$1.75, the standard commission is calculated as follows:  $(1,750 \times 1.30\%) + 28 + (10 \times 9) + 0 = \$140.75$ .

See [Important Information](#) for additional details.

## BROKERAGE ACCOUNTS - SECONDARY MARKET TRANSACTIONS (continued)

### Fixed Income Transactions

Treasury securities, government agencies, brokered certificates of deposit (CDs), corporate bonds, municipal securities, over-the-counter (OTC) preferred securities and market-linked investments.

For purchases, you may pay a “mark-up” on top of the security price, which may be discounted. A portion of the fee is payable to your advisor.

#### Maximum “mark-up” you may pay on top of purchase price

	1-year maturity	5-year maturity	10-year maturity	Greater than 10-year maturity
<b>Treasury securities</b>	0.185%	0.685%	1.28%	1.50%
<b>Government agencies</b>	0.185%	0.685%	1.28%	1.78%
<b>Brokered CDs</b>	0.375%	1.25%	2.00%	2.00%
<b>Corporate bonds</b>	0.375%	1.25%	2.00%	2.00%
<b>Municipal securities</b>	0.10%	1.25%	2.00%	2.00%
<b>OTC preferred securities</b>	1.00%	1.00%	1.00%	1.00%
<b>Market-linked investments</b>	0.50% – 2.00% (for all maturities)			

*For example, if you purchase a corporate bond with a 5-year maturity for a principal amount of \$50,000, the maximum “mark-up” is calculated as following:  $\$50,000 \times 1.25\% = \$625.00$ .*

For sales, an amount called a “mark-down” that may be subtracted from the security price, which may be discounted. A portion of the fee is payable to your advisor.

#### Maximum “mark-down” that may be subtracted from sale price

	All maturities
<b>Treasury securities</b>	0.00% – 0.25%
<b>Government agencies</b>	0.00% – 0.25%
<b>Brokered CDs</b>	0.00%
<b>Corporate bonds</b>	0.00% – 0.50%
<b>Municipal securities</b>	0.00% – 0.375%
<b>OTC preferred securities</b>	1.00%
<b>Market-linked investments</b>	0.00%

See [Important Information](#) for additional details.

## BROKERAGE ACCOUNTS

### Mutual Funds and Money Market Funds

Funds that consist of a portfolio of securities that seek to meet an identified objective and are managed by a fund manager.

The fees you will pay or incur vary based on the share class and the fund's own designated pricing schedule. You can find these fees, including the fund's operating expenses, in the fund's prospectus and offering materials. A portion of the fees received are paid to your advisor.

Security & share class	Fees
<b>Mutual fund A shares</b>	<ul style="list-style-type: none"><li>• Generally, you pay an upfront "front-end" sales charge of 0.00% to 5.75% of the purchase amount, depending on the size of the purchase.</li><li>• You will also pay an annual asset-based service fee (often referred to as a "service" or "12b-1" fee) generally in the range of 0.20% to 0.35%.</li></ul>
<b>Mutual fund C shares</b>	<ul style="list-style-type: none"><li>• Generally, you pay a larger annual asset-based service fee of up to 1.00%; however, there is no upfront fee.</li><li>• Generally, if you sell the mutual fund within 12 to 18 months of the purchase date, you may pay a Contingent Deferred Sales Charge (CDSC) of up to 1.00%.</li></ul>
<b>Retirement plan mutual fund share classes</b>	<ul style="list-style-type: none"><li>• For various retirement or benefit plans, the share class availability may be determined by the plan sponsor, the size or nature of the plan or other factors. For more information, please contact your advisor or the retirement or benefit plan's sponsor.</li></ul>
<b>Money market funds</b>	<ul style="list-style-type: none"><li>• Generally, you will not pay an upfront fee; however, you will pay an annual asset-based service fee of up to a maximum of 1.00%.</li></ul>

See [Important Information](#) for additional details.

## BROKERAGE ACCOUNTS

### New Issue Offerings

Equity common stock, Treasury securities, agencies, corporate bonds, municipal securities, preferred securities, brokered certificates of deposit, closed-end funds, unit investment trusts and market-linked investments.

You will not pay a fee on the new issue securities purchase. The price and the terms of the security may reflect that the issuer pays a fee (the “gross fee”) to Merrill Lynch in connection with the new issue offering. The gross fee varies among offerings and is disclosed in the prospectus or offering document for the security. The gross fee information is provided to you as a general guide or range. A portion of this fee is paid to your advisor as compensation.

Security & share class	Merrill Lynch compensation
<b>Equity common stock</b>	<ul style="list-style-type: none"> <li>For initial public offerings (IPOs), Merrill Lynch is paid an upfront gross fee of up to 7.00%. The fee varies significantly depending on the type and size of the IPO.</li> <li>For Add-On Offerings and Convertible Note Offerings, Merrill Lynch is paid an upfront gross fee of up to 5.00%.</li> </ul>
<b>Treasury securities</b>	<ul style="list-style-type: none"> <li>You can submit non-competitive bids for certain new issue Treasuries at the auction. Merrill Lynch generally charges you a \$50 per auction service fee for all non-competitive bids.</li> </ul>
<b>Agencies</b>	<ul style="list-style-type: none"> <li>Merrill Lynch is paid an upfront gross fee ranging from 0.05% - 3.00%, depending on tenor.</li> </ul>
<b>Corporate bonds</b>	<ul style="list-style-type: none"> <li>Merrill Lynch is paid an upfront gross fee ranging from 0.125% - 3.00%, depending on tenor.</li> </ul>
<b>Municipal securities</b>	<ul style="list-style-type: none"> <li>Merrill Lynch is paid an upfront gross fee that varies significantly depending on type of offering and tenor.</li> </ul>
<b>Preferred securities</b>	<ul style="list-style-type: none"> <li>Merrill Lynch is paid an upfront gross fee of up to 3.15%.</li> </ul>
<b>Brokered CDs</b>	<ul style="list-style-type: none"> <li>Merrill Lynch is paid an upfront gross fee by the issuing bank ranging from 0.0015% to 3.00%, depending on tenor.</li> </ul>
<b>Closed-end funds</b>	<ul style="list-style-type: none"> <li>Merrill Lynch is paid an upfront gross fee up to 4.50%, depending on the CEF tenor and fund strategy.</li> </ul>
<b>Unit investment trusts</b>	<ul style="list-style-type: none"> <li>For equity unit investment trusts with 15-month terms, you will pay a sales charge of 1.85% to the UIT issuer, of which Merrill Lynch receives up to 1.35%.</li> <li>For equity unit investment trusts with 24-month terms, you will pay a sales charge of 2.75%, of which 2.10% is paid to Merrill Lynch.</li> <li>For fixed income unit investment trusts, you will pay a sales charge between 2.50% and 3.50%, of which Merrill Lynch receives up to 2.70%.</li> </ul>
<b>Market-linked investments</b>	<ul style="list-style-type: none"> <li>There is a gross fee and other costs that are reflected in the terms of the market-linked investment.</li> <li>Merrill Lynch is paid an upfront gross fee ranging from 1.25% to 2.50%, depending on tenor.</li> <li>The economic terms also include a related structuring fee, typically in the range of 0.50% to 0.75%, which is retained by Merrill Lynch.</li> </ul>

See [Important Information](#) for additional details.

## BROKERAGE ACCOUNTS

### Alternative Investments (AI)

Hedge funds and private equity funds.

Alternative Investments (AI) are offered to eligible clients by means of a private placement memorandum or offering materials. The specific AI fund fees are disclosed in detail in these materials. A portion of the fees paid are paid to your advisor as compensation.

Security & share class	Investment	Merrill Lynch compensation
<b>Hedge funds</b>	Investment through a feeder fund	<ul style="list-style-type: none"> <li>Merrill Lynch may charge an upfront placement fee of up to 2.50% of the investment amount. Merrill Lynch, as placement agent, receives a portion of these fees for offering the fund to you.</li> <li>You will pay an annual administration fee of up to 1.00% to the fund, of which a portion may be paid to Merrill Lynch. Administration fees vary and may be discounted based on meeting particular breakpoints.</li> <li>Fees are charged on net asset value of the fund.</li> <li>Your investment in the fund will be subject to fees at the underlying fund of which a portion may be paid to Merrill Lynch. The fee levels vary by underlying fund and are disclosed in fund offering materials.</li> </ul>
<b>Private equity</b>	Investment through a feeder fund	<ul style="list-style-type: none"> <li>Merrill Lynch is paid an upfront placement fee of up to 2.50% of the committed amount.</li> <li>You will pay an annual administration fee of up to 1.25% to the fund, which is shared with a Merrill Lynch affiliate. Administration fees vary and may be discounted based on meeting particular breakpoints.</li> <li>The methodology for calculating the administration fee mirrors how the underlying fund manager charges its fee (e.g., charging on committed capital during the investment period and on invested capital thereafter).</li> </ul>
<b>Hedge funds</b>	Direct investment in the fund	<ul style="list-style-type: none"> <li>You will pay a fee directly to the fund. The fee levels vary by fund and are disclosed in fund offering materials.</li> <li>Merrill Lynch, as placement agent, may receive a portion of these fees for offering the fund to you.</li> <li>Fees are charged on net asset value of the fund.</li> </ul>
<b>Private equity</b>	Direct investment in the fund	<ul style="list-style-type: none"> <li>You will pay management and performance fees directly to the fund. The fee levels and basis may vary by fund and are disclosed in fund offering materials.</li> <li>Merrill Lynch, as placement agent, may receive a fee to offer the fund to you. The fee may be paid through i) a direct payment from the Sponsor, ii) a distribution fee paid by you (disclosed in the fund offering materials), or iii) a share of the fund's management fee.</li> </ul>

See [Important Information](#) for additional details.

## BROKERAGE ACCOUNTS

### High Net Worth Solutions

Certain over-the-counter derivatives, overlay programs and exchange funds.

These solutions are only available to you if you meet applicable eligibility and suitability requirements. A portion of fees you pay to Merrill Lynch or the manager are paid to your advisor as compensation.

Solution	Merrill Lynch compensation
<b>Over-the-counter derivatives</b>	<ul style="list-style-type: none"><li>• Fee you will pay varies and is outlined in the term sheet and trade confirmation.</li></ul>
<b>Overlay programs</b>	<ul style="list-style-type: none"><li>• You will pay an annual management fee of 0.50% to 0.60% per annum to the options overlay manager as set forth your investment management contract with the manager (plus any applicable performance fees). The management fee varies based on the manager and the type of strategy.</li><li>• Merrill Lynch will receive a portion of this fee as detailed in the solicitor disclosure statement that is part of the investment management contract.</li><li>• You will also pay brokerage commissions on the stock and options transactions executed as part of the program.</li></ul>
<b>Exchange funds</b>	<ul style="list-style-type: none"><li>• You will pay an upfront placement fee to Merrill Lynch ranging from 0.00% to 1.50% of your investment amount, depending on the amount and discounting.</li><li>• You will also pay an annual management fee to the fund ranging from 0.85% to 0.98%, of which a portion is paid to Merrill Lynch.</li><li>• Merrill Lynch also receives an incentive payment of approximately 1.00% of your investment amount.</li></ul>

See [Important Information](#) for additional details.



## BROKERAGE ACCOUNTS

### Annuities

Fixed indexed annuities, fixed rate annuities, income annuities and variable annuities.

When you purchase an annuity through your advisor, our affiliate, Merrill Lynch Incorporated Life Agency Inc. (MLLA), is paid by the insurance company. The amount of the compensation paid to MLLA varies depending on the type of annuity. A portion of the amount received is paid to your advisor as compensation. These payments include first-year sales commissions and may include other commissions paid annually in subsequent years.

Except as noted, while there are no distinct fees paid by you, the insurance company includes these fees it pays to MLLA when setting its fixed and income annuity rates.

Annuity type	Merrill Lynch compensation
<b>Fixed indexed</b>	<ul style="list-style-type: none"><li>• MLLA is paid a first-year sales commission of up to 5.00% of each annuity premium and annual trail commission each year thereafter of up to 0.90% of the value of your annuity.</li><li>• Certain fixed indexed annuities do not have trail commission, or only have a trail commission if your advisor selects a lower first-year sales commission.</li><li>• Except as noted, while there are no distinct fees paid by you, the insurance company includes these fees it pays to MLLA when setting its fixed indexed annuity rates.</li></ul>
<b>Fixed rate</b>	<ul style="list-style-type: none"><li>• MLLA is paid a first-year sales commission of up to 3.50% of each annuity premium.</li></ul>
<b>Income</b>	<ul style="list-style-type: none"><li>• MLLA is paid a first-year sales commission of up to 5.00% of each annuity premium.</li></ul>
<b>Variable</b>	<ul style="list-style-type: none"><li>• You will pay the first-year sales commission of up to 5.25% of each annuity premium and annual trail commission each year thereafter of up to 1.20% of the value of your annuity.</li><li>• Certain variable annuities do not have trail commission, or only have a trail commission if your advisor selects a lower first-year sales commission.</li><li>• Variable annuities have distinct fees paid by you to the insurance company, including an annual asset-based fee of up to 1.35%. These fees reimburse the insurance company for its fee expenses.</li></ul>

See [Important Information](#) for additional details.

## IMPORTANT INFORMATION

### General

In the document, references to Merrill Lynch means Merrill Lynch, Pierce, Fenner & Smith Incorporated and its affiliates. Fees, charges, commissions, other transaction charges, fund sales charges, and the fees and charges for new issue transactions are determined by reference to various schedules and methodologies and pricing arrangements and agreements in effect from time to time and which are subject to change. Fee ranges are provided for informational purposes only. The fee information does not cover all available securities or investment types. In addition, there are other fees and charges that apply to the securities activities in your account. In certain transactions, minimum commission charges will apply. Certain commissions may be discounted by your advisor at his or her discretion. Individual circumstances will determine commission prices and whether you qualify for any waivers or discounts.

The information contained in this Overview is provided for informational purposes only and is not meant to replace your close review of the terms and conditions contained in the agreements for the Merrill Lynch programs and accounts, the disclosures relating to individual securities and other information. The fee information included in this Overview does not cover all available investment types or solutions or certain fees that apply to securities activities in your account. Additional fees may apply. Please review the [Merrill Lynch Schedule of Miscellaneous Account and Service Fees](#) for more information.

### Fixed income security pricing

The mark-up or mark-down amount compensates the firm and the advisor for the transaction execution. Purchases and sales of fixed income securities may occur in the over-the-counter markets and Merrill Lynch may act in a principal capacity (for its own account) in executing that order. A mark-up/mark-down is based on the principal value of the trade. The amount will vary based on the following criteria:

- Product type – Corporate bonds have higher mark-ups/mark-downs than government products
- Maturity of the instrument – Shorter maturities have lower mark-ups/mark-downs; longer maturities have higher mark-ups/mark-downs
- Purchase vs. sale – Purchases have higher mark-ups than mark-downs for sales due to the buy and hold nature of fixed income securities.

Certain fixed income security features such as call dates may result in lower mark-ups/mark-downs than shown in the fixed income schedule. Additional maturity breakpoints will have different maximum mark-ups/mark-downs. For products priced on a discount basis, including treasury bills, agency discount notes and commercial paper, the mark-up can be up to 0.20% and there is no mark-down. Mortgage-backed securities are subject to the same mark-ups as Corporate bonds and assessed on the security's average life. Preferreds are generally traded on stock exchanges where equity commissions will apply. When Preferreds are traded in the over-the-counter markets, they are subject to the maximum rates for fixed income securities noted above. In certain transactions, mark-ups/mark-downs may be disclosed on client confirmation statements as a total dollar amount and as a percentage of the prevailing market price. In the rare case where a trade is executed as agent, mark-up/mark-downs are not charged but commissions may be charged and will be disclosed on client confirmation statements. Commissions are subject to the same maximums as noted in the schedules provided.

### Mutual funds

Fees and expenses in a mutual fund, including the sales charges paid by the fund to Merrill Lynch in connection with a purchase by you of fund shares, reduce the net asset value of the fund and the investment return. Actual sales charges and trails, breakpoints and sales waivers are controlled by each fund's prospectus and vary according to type of strategy and fund. Please refer to each fund's specific prospectus to understand the particular features of each share class. The Financial Industry Regulatory Authority (FINRA) maintains a Mutual Fund Expense Analyzer tool on its website at [www.finra.org/fundanalyzer](http://www.finra.org/fundanalyzer) that may help you in making a decision about which share class is best for you.

Merrill Lynch has entered into agreements with various fund families or their service providers to be paid for services provided to mutual funds and money market funds and our customers, including retirement plan customers that invest in these funds. Each fund's operating costs include (like other mutual fund expenses) its allocable share of the fees and expenses of these services. These service arrangements generally vary by mutual fund. The amount of these fees is deducted directly from the client's or the retirement plan's investment in the mutual fund and/or paid by the fund's service providers (as may be described in the prospectus and statement of additional information for the fund). These fees are not paid directly out of your account, but are either borne by the mutual fund, like other mutual fund expenses, or by the mutual fund's principal underwriter or other agent.

We have prepared and provided to you a document entitled Mutual Fund Investing at Merrill Lynch, available at [ml.com/funds](http://ml.com/funds), which goes into greater detail on fees and expenses for mutual fund share classes available through us. This document is also available from your advisor upon request.

### Alternative investments

We or our affiliates have negotiated fee sharing arrangements with managers of certain hedge funds and private equity funds. Under these arrangements, we or our affiliates receive additional compensation (Additional AI Compensation) in order to defray certain costs related to administrative, operational, marketing or other services we provide in connection with your investment in an Alternative Investment fund. The Additional AI Compensation is based on portions of the management fees, performance-based compensation and/or other asset-based fees payable by these funds to the fund manager or its affiliates or that are attributable to investments made in the fund through us or our affiliates, including investments made by you. The actual terms of our fee sharing arrangements with fund managers may be disclosed in the offering materials of the relevant Alternative Investment fund or feeder fund, subject to confidentiality requirements and other obligations imposed by the fund managers.

### Annuities

Merrill Lynch as broker-dealer and our affiliate, Merrill Lynch Life Agency, Inc. (MLLA) as general agent, have entered into selling agreements with unaffiliated insurance companies to offer annuities. MLLA and your advisor represent the insurance company in connection with the sale of the annuity and provide services to you on behalf of the insurance company. Variable annuities are offered by prospectus.

The terms and expenses for each annuity (including surrender charges, optional benefit charges and other insurance company expenses) are set out in a contract between you (annuity owner) and the insurance company (annuity issuer). All client charges associated with the annuity are disclosed in the annuity contract and prospectus, if applicable, and are paid to the annuity issuer. The fees outlined above are paid to MLLA by the annuity issuer. The annuity issuer includes these charges in the pricing of its products. All annuity contract guarantees, including optional benefits, fixed rates and annuity payout rates, are backed by the claims-paying ability of the annuity issuer. They are not backed by Merrill Lynch or its affiliates. Neither Merrill Lynch nor its affiliates make any representations or guarantees regarding the claims-paying ability of the annuity issuer.