

# Brokered and Bank CD solutions



Certificate of deposit options from Merrill Lynch and Bank of America



## BANKING

Having a cash management strategy is a critical component of your overall financial portfolio. Certificates of deposit (CDs) can play an important role, offering you competitive yields, FDIC insurance protection and convenient benefits. Through your wealth management relationship, you have access to both brokered and bank CDs to fit your needs.

### Understanding CD fundamentals

A CD is a time deposit, issued by a bank or savings association. You deposit funds with the financial institution for a specified length of time, and in exchange you earn a specified rate of interest on your deposit. That interest is generally paid to you in regular intervals during the term of the CD. CD terms can vary from days to months or years.

Through your Merrill Lynch Wealth Management relationship, you can purchase CDs directly from Bank of America, N.A. (Bank of America CDs) or through Merrill Lynch, Pierce, Fenner & Smith Incorporated (Merrill Lynch) from various banks, including Bank of America, N.A. CDs purchased through Merrill Lynch are known as “brokered CDs.” Brokered CDs are issued by numerous banks and savings associations across the country, including Bank of America. A Merrill Lynch brokerage account is required for a brokered CD.

### Benefits of CDs

CDs offer a range of benefits. They:

- Allow you to diversify your overall financial strategy with an FDIC-insured vehicle
- Can help you preserve wealth and deliver steady income
- Are considered a low-risk investment due to FDIC insurance coverage
- Support short- and long-term principal protection strategies

### Insights and advice from your Financial Advisor

Your Merrill Lynch Financial Advisor, in conjunction with a Wealth Management Banker, can help you incorporate CDs into your portfolio. Based on your unique goals, they can help you:

- Determine if Bank of America CDs and/or brokered CDs make sense for you
- Use short-term CDs to obtain attractive returns on the portion of your portfolio allocated to cash equivalents
- Stagger maturity dates to provide you with recurring liquidity and the potential for higher average yields
- Create a portfolio to provide you with recurring interest income
- Use CDs in IRAs to help support your retirement goals

#### See back panel for important information.

Merrill Lynch Wealth Management makes available products and services offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S) and other subsidiaries of Bank of America Corporation. Banking products are provided by Bank of America, N.A. and affiliated banks, Members FDIC and wholly owned subsidiaries of Bank of America Corporation. MLPF&S is a registered broker-dealer, Member SIPC and a wholly owned subsidiary of Bank of America Corporation.

CD program features	Merrill Lynch Brokered CD program	Bank of America CDs
<p><b>Yield</b></p> <p>Your Financial Advisor can provide you with current rate information.</p>	<p>These CDs provide the ability to lock in a guaranteed rate of return for a specific period of time, while preserving your principal.</p> <p>Rates are set in conjunction with the issuing institution and the dealer.</p>	<p>These CDs provide the ability to lock in a guaranteed rate of return for a specific period of time, while preserving your principal.</p> <p>Rates are set at the discretion of Bank of America.</p>
<p><b>Security of your deposit</b></p> <p>For more information about FDIC coverage, visit <a href="http://fdic.gov">fdic.gov</a>.</p>	<p>Brokered CDs are issued by banks and savings associations and are insured by the FDIC, up to a maximum of \$250,000, for both principal and interest, for all deposits held in the same capacity, per depository institution.</p> <p>Because the brokered CD program offers CDs provided by multiple issuers, it offers the opportunity for more FDIC coverage.</p> <p>Each CD is a deposit obligation of the issuing depository institution.</p>	<p>Bank of America CDs are covered by FDIC insurance, up to \$250,000 per depositor, the maximum amount allowed by law.<sup>1</sup></p> <p>Because the CD is a direct obligation of Bank of America, the bank's obligation to you as an account holder is not subject to the performance of any other instrument.</p>
<p><b>Convenience</b></p>	<p>Through Merrill Lynch, you have the opportunity to build a CD portfolio that includes CDs of various issuers, maturities and returns, providing you with return, liquidity and diversification of FDIC insurance coverage.</p> <p>Principal and interest payments are made directly in your Merrill Lynch account.</p> <p>Although not obligated to do so, Merrill Lynch maintains a secondary market that allows you to liquidate brokered CDs prior to maturity.</p> <p>The brokered CD may be transferred into or out of your Merrill Lynch account.</p>	<p>You can choose to have interest credited to the CD (and reinvested) or have the interest disbursed to your Bank of America checking or savings account or mailed to you. Disbursements can generally be made monthly, quarterly, semi-annually, annually or at maturity.<sup>2</sup> See your Deposit Agreement and Disclosures for details.</p> <p>Bank of America's Opt-Up® CD provides you the ability to take advantage of a one-time rate reset, should interest rates rise. (See the Bank of America CD section on the back panel for details.)</p>
<p><b>Minimum investment</b></p>	<p>\$1,000.</p>	<p>Varies, depending on CD type.</p>
<p><b>Account type</b></p>	<p>CDs purchased are held in your brokerage account.</p>	<p>CDs purchased are held in a separate, stand-alone bank account.</p>
<p><b>Access to multiple issuers</b></p>	<p>Yes, numerous banks and savings associations across the country. This feature can help you build a diversified portfolio of CDs and maximize benefits of FDIC insurance through a single brokerage account.</p>	<p>Bank of America, N.A. and affiliated banks only.</p>
<p><b>CDs for IRAs</b></p>	<p>Yes.</p>	<p>Yes.</p>
<p><b>CD terms</b></p>	<p>Non-callable CD terms typically range from 3 months to 10 years. Callable CD terms typically range from 2 years to 30 years.</p>	<p>Terms may range from 7 days to 10 years.</p>

See back panel for important information.

CD program features	Merrill Lynch Brokered CD program	Bank of America CDs
<p><b>CD types</b></p>	<ul style="list-style-type: none"> <li>■ <b>Non-callable CDs:</b> Are interest-bearing and pay a fixed interest rate during the time your money is deposited. Non-callable CDs cannot be redeemed by the issuer before their maturity date.</li> <li>■ <b>Callable CDs:</b> Are interest bearing and generally offer a higher yield than non-callable CDs because the issuer can redeem them before their maturity date.</li> <li>■ <b>Floating rate CDs:</b> Pay a variable rate of interest that may be tied to the performance of a benchmark such as the Consumer Price Index.</li> <li>■ <b>Zero-coupon CDs:</b> Do not bear interest, but rather are sold at a discount to their face value. Principal and accrued interest are paid at maturity.</li> </ul>	<ul style="list-style-type: none"> <li>■ <b>Risk Free CD®:</b> Provides the ability to access the funds penalty free prior to maturity.<sup>3</sup></li> <li>■ <b>Opt-Up® CD:</b> Provides a one-time rate reset to the current rate available after the first 6 months; if rates rise you have the option to reset the interest rate for the remaining term of the CD. The new rate would only apply to the remaining term of the CD.</li> <li>■ <b>Term CDs:</b> CDs are available with terms from 7 days to 10 years.</li> </ul>
<p><b>Secondary market</b></p>	<p>If CDs must be sold before maturity, it may be possible to do so in the secondary market.</p> <p>Although not obligated to do so, Merrill Lynch maintains a secondary market in CDs.</p> <p>The price at which brokered CDs may be sold in the secondary market will depend on market conditions, and may be less than par.</p>	<p>Not available.</p>
<p><b>Interest calculation</b></p>	<p>These CDs pay simple interest; interest is not compounded. All interest and principal payments are credited to your Merrill Lynch brokerage account.</p>	<p>Interest is credited at maturity for CDs with terms of 27 days or less. Interest is credited and compounded monthly for CDs with terms of 28 days or more. Interest and principal payments are credited to your Bank of America CD, to another Bank of America account or disbursed to you.</p>
<p><b>Early withdrawals before maturity</b></p>	<p>Early withdrawals are not permitted except in the event of death or adjudication of incompetence. If you need access to the funds prior to maturity, CDs may be sold in the secondary market at a selling price that reflects market conditions and may be lower than the price you paid for it.</p>	<p>Early withdrawals are subject to penalties.<sup>2</sup> Bank of America's Risk Free CD® offers access to funds prior to maturity without a penalty.<sup>3</sup></p>
<p><b>Automatic rollover of CD at maturity</b></p>	<p>No.</p>	<p>Yes, unless you request otherwise. You will be sent a Maturity Notice at least 20 days in advance of maturity for CD terms of 30 days or more. CDs with terms less than 30 days do not receive a Soon to Mature notice.</p>
<p><b>Account statements</b></p>	<p>CD holdings are included as part of your Merrill Lynch brokerage account statement.</p>	<p>CD summary information may be included on a Bank of America checking account statement.</p>

## More about Bank of America CD choices

Bank of America offers a variety of CD options that may fit your needs, including:

### Risk Free CD

- Offers the fixed return of a CD with access to funds prior to CD maturity<sup>3</sup>
- Minimum opening balance is \$5,000 (\$2,000 for an IRA CD)

### High Yield CD

- Term of 7 or 12 months
- A competitive rate to help you meet your yield objectives
- Minimum opening balance is \$10,000 (\$2,000 for an IRA CD)

### Opt-Up® CD

- One-time rate reset to current rate available after first 6 months. If rates rise, you have the option to reset the interest rate for the remaining term of the CD. The new rate would apply only to the remaining term of the CD.
- Minimum opening balance is \$10,000 (\$2,000 for an IRA CD)

Additional CDs with terms ranging from 7 days to 10 years are also available with attractive rates of return.

## Learn more

Talk to your Merrill Lynch Financial Advisor to discuss how CDs may fit into your overall financial strategy and what specific solutions may best fit your needs.

## Retirement CDs

- Most CD offerings are also available as IRA CDs to help you pursue your retirement goals.
- Availability may vary by state and product.

### Certificate of Deposit Account Registry Service®

If you are seeking short- or intermediate-term investment options with access to FDIC protection for significant (multi-million) CD deposits, CDARS® (the Certificate of Deposit Account Registry Service®), may be right for you.

Created by Promontory Interfinancial Network, LLC, CDARS is a deposit placement service that can provide you with one of the safest investment vehicles to protect your investments and earn CD-level returns. Investing through CDARS can be a valuable alternative to investing in Treasuries or other fixed-income investments. CDARS is available through eligible Merrill Lynch brokerage and investment advisory accounts. Talk to your Financial Advisor to learn more.

<sup>1</sup> CDs at Bank of America are insured by the FDIC up to \$250,000 per depositor, per ownership category.

<sup>2</sup> Penalty-free withdrawals from the CD can only be made during the grace period following maturity (7 calendar days for terms greater than 27 days), otherwise an early withdrawal fee applies.

<sup>3</sup> For the Risk Free CD, Bank of America waives the early withdrawal penalty after the first 6 days of the account term (or the first days following any partial withdrawal).