

Offshore Fund Investing at Merrill Lynch

A Client Disclosure Pamphlet September 2016

Merrill Lynch, Pierce, Fenner & Smith
Incorporated



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Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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Introduction

In selecting a mutual fund that best suits your needs, there are several key factors to consider:

- The fund's investment strategy,
- The fund's risk profile
- The fund's investment performance,
- The fund's relationship to your overall asset allocation strategy and investment time horizon.
- The fund's fees and expenses, which will reduce investment returns

This pamphlet offers information about fees and expenses for the offshore mutual fund share classes available through Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") as well as the compensation that Merrill Lynch earns with respect to those funds.

Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), an indirect wholly owned subsidiary of Bank of America Corporation ("BofA Corp"), makes available to its clients a wide range of investment products and services, including many different mutual funds that are domiciled and operated outside of the United States and are only available to people or entities that do not qualify as "U.S. persons" under Reg S of the Securities Act of 1933. These funds are called "offshore" mutual funds and, although they are not registered in the United States, they function similarly to U.S. mutual funds in terms of structure, investments, operations, risks and costs. A common type of offshore fund available at Merrill Lynch is a "UCITS" which is an open-end European investment fund established in accordance with the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive. UCITS are typically domiciled in Ireland or Luxembourg. Other types of offshore funds include funds domiciled in the Cayman Islands or other non-U.S. jurisdictions.

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For more complete information on any offshore fund, please request a prospectus, offering document and/or, if available, a key investor information document from your Merrill Lynch Financial Advisor and read it carefully. Before investing, carefully consider the investment objectives, risks, and charges and expenses of the fund. This and other information can be found in the fund's prospectus. If you are a "U.S. person" as defined in section 7701(a)(30) of the Internal Revenue Code (or

"Code") and are considering whether to make an investment in an offshore mutual fund, we strongly urge you to consult with your U.S. tax advisor before making such an investment. An offshore mutual fund may constitute a "passive foreign investment company" (or "PFIC") as defined in section 1297 of the Code. If an offshore mutual fund is a PFIC, then you may be subject to adverse U.S. federal income tax consequences arising from the ownership and disposition of shares in such fund. Under certain circumstances, an election can be made to reduce the impact of those adverse tax consequences, but you should discuss with your U.S. tax advisor (i) whether you would be able to make such an election and (ii) the tax consequences if you are not able to make such an election. Merrill Lynch does not provide legal, tax or accounting advice. Please consult your legal and/or tax advisor regarding this information.

Offshore Fund Share Classes

In order to accommodate the various investment needs of different categories of investors, many offshore funds offer more than one "class" of shares. Each share class represents an interest in the same fund's investment portfolio, but has different fees and expenses. Some funds offer shares in multiple currencies and dividend & income distribution options. The availability of certain share classes offered by a fund may be limited at Merrill Lynch to specific service models. For example, certain institutional offshore fund share classes may be available through a Merrill Lynch asset-based fee program, which is described more fully below. These share classes generally are not available to clients purchasing mutual funds in a full-service brokerage account. For information about a particular fund's share classes and the associated sales charges and expenses, you should review the fund's prospectus and speak with your financial advisor.

Front Load Shares. Front Load shares, often referred to as "Class A Shares", typically impose a negotiable front-end sales charge of up to 6.25% at the time of purchase. Check the fund's prospectus and discuss this sales charge with your Financial Advisor. The front-end sales charge is deducted from your initial investment amount at the time of purchase. The front-end sales charge is paid to Merrill Lynch as a "dealer commission" and a portion of that amount is paid to your Merrill Lynch Financial Advisor (see discussion below). The fund's annual asset based charges, which typically include a management fee

and shareholder/distribution fees, for Front Load shares of an offshore fund are typically lower than the annual operating expenses for that fund's Rear Load and Level Load shares (which are described below, and generally do not have a front-end sales charge).

Generally, Front Load shares are more economical for investors who have an intermediate to longer-term investment time horizon. The dollar amount at which you should consider purchasing Front Load shares of a fund can be evaluated by analyzing the front-end sales charge and annual asset based charges as compared to the sales charges, where applicable, and the annual asset based charges of other share classes of the same fund.

Level Load Shares. Level Load shares, often referred to as "Class C Shares", typically do not impose a front-end sales charge, so the full value of your investment is used to purchase Level Load shares in a fund. Many Level Load shares impose a contingent deferred sales charge ("CDSC"), typically up to 1.00% of the redemption amount during the first year or longer, with no CDSC thereafter. CDSC fees are typically paid to the fund's distributor or other service provider, and not to Merrill Lynch or your Financial Advisor. Merrill Lynch will typically receive up-front compensation of a maximum of 1.00% of the invested amount on such Level Load shares, paid by the fund's distributor or other service provider at the time of sale, and a portion of this amount is paid to your Financial Advisor (see discussion below).

Level Load shares generally are subject to annual asset based charges that typically include a management fee and shareholder/distribution fees, which are higher than comparable asset-based charges for the fund's Front Load Shares.

Unlike certain Rear Load Shares, described below, which convert to Front Load Shares after a period of time, Level Load shares generally do not have a conversion feature. Compared to Front Load shares, Level Load shares generally become less economical for investors who hold their investments over a longer term. In some instances, Level Load shares are more economical for investors who have a short to intermediate investment horizon.

Rear Load Shares. Rear Load Shares, often referred to as "Class B Shares", are generally available for exchanges only. Rear Load shares typically have higher total expenses than Front Load shares.

Certain Rear Load shares convert to Front Load shares at a certain point. If you hold a Rear Load share class, please check the fund's prospectus for conversion features. Similar to Level Load shares, Rear Load shares generally become less economical for investors who hold their investments over the longer term.

Institutional, No-Load, Load-Waived and Other Share Classes. In addition to Front and Level Load shares, other share classes that impose different fees may be available through Merrill Lynch. Typically, these shares may only be available through certain Merrill Lynch asset-based fee programs.

Asset-Based Fee Programs

You can purchase funds through various asset-based fee programs available at Merrill Lynch, including discretionary and non-discretionary investment advisory programs. In these programs, you pay Merrill Lynch an annual fee based on a percentage of the value of the assets held in your Merrill Lynch account associated with these programs. These asset-based fee programs allow you to purchase institutional shares, "no-load" and or load-waived Front Load Shares (or another share class without a front-end sales charge or CDSC). These asset-based fee programs provide features and benefits as well as share classes that may not be available in a traditional Merrill Lynch brokerage account that charges transaction fees and is serviced by your Merrill Lynch Financial Advisor. The total cost of purchasing and holding fund shares through an asset-based fee program may be more or less than investing in fund shares in a traditional Merrill Lynch brokerage account that is serviced by your Financial Advisor depending on the amount of the asset-based fee and the specific fund shares in which you invest. You should ask your Financial Advisor or for more information about these cost differences and whether an asset-based fee program might be right for you.

Compensation of Merrill Lynch Financial Advisors and Their Managers

The compensation Merrill Lynch receives from the fund differs by share class and depends on whether fund shares are purchased through an asset-based fee program or traditional brokerage account. A portion of this compensation is paid to your financial advisor. The portion of Merrill Lynch's compensation that is paid to its Financial Advisors is calculated pursuant to the same formula regardless of which

funds are purchased.

Financial Advisors' managers are compensated differently than the Financial Advisors, reflecting their different responsibilities and accountabilities. However, the portion of total compensation earned by Merrill Lynch with respect to offshore fund sales that is paid to managers is calculated pursuant to the same formula for all funds.

Representatives of fund companies, often referred to as "wholesalers," work with Merrill Lynch, Financial Advisors and their managers to promote those fund companies' offshore funds. Consistent with rules that are applicable to Merrill Lynch, fund distributors and/or their affiliates may pay for or make contributions to Merrill Lynch for training and education seminars for Merrill Lynch Financial Advisors, employees, clients and potential clients, due diligence meetings regarding their funds, recreational activities, or other non-cash items. From time to time, Merrill Lynch may recognize certain Financial Advisors through promotional programs that include offshore funds. These programs may reward Financial Advisors with compensation, including attendance at off-site locations and/or various employee training sessions that may be sponsored or co-sponsored by offshore fund companies whose funds Merrill Lynch makes available.

Additional Services Covered under Merrill Lynch's Compensation from the Fund

Merrill Lynch provides a variety of distribution, marketing services and other support to sponsors of offshore funds regarding their funds. These services include, but are not limited to the provision of: an offshore fund specialist support desk for Financial Advisors to answer questions regarding their funds; work stations that include information, announcements, data, and tools relating to their funds; ongoing review and implementation of features and restrictions imposed by their funds (e.g., if a fund imposes a redemption fee, Merrill Lynch will, among other things, alter its systems and train employees to effectively impose the fee); strategic planning support that is intended to assist fund sponsors with strategies that are aligned with Merrill Lynch's investment themes and goals; making Financial Advisors or other employees available for education regarding their funds; sales related reports and other information; and branch office support, including phones, computers, conference rooms, as well as facilities and personnel support for prospectuses and

promotional and other materials relating to their funds.

Merrill Lynch also provides various sub-accounting and other related administrative services with respect to each offshore fund position held in an account at Merrill Lynch. These services include, for example, aggregating and processing purchases, redemptions, and exchanges, dividend distribution and reinvestment, consolidated account statements, tax reporting, and other recordkeeping and reporting services.

A portion of the compensation Merrill Lynch receives from the fund covers the types of additional services described above. This compensation does not purchase placement on any preferred lists or any special positioning or coverage of certain funds by Merrill Lynch.

BlackRock Funds and Products

Merrill Lynch distributes certain products and services sponsored or advised by BlackRock, Inc. (including its subsidiaries) ("BlackRock") under a global distribution agreement.

Consistent with laws applicable to Merrill Lynch, management and employees of BlackRock may be provided a broad level of access and exposure to Merrill Lynch, its management, Financial Advisors, and other personnel, marketing events and materials, and client-related and other information. Such broad access and exposure is not available to other asset managers and may enhance BlackRock's ability to distribute their funds and other investment products through Merrill Lynch.

Offshore Money Market Mutual Funds

Generally, all of the offshore money market mutual funds ("Money Funds") offered for purchase in a Merrill Lynch account are managed by an investment advisory subsidiary of BlackRock, Inc. and are branded as BlackRock funds.

Similar to the information provided in the "Offshore Fund Share Classes" section above, the Money Funds available at Merrill Lynch may offer more than one "class" of shares. Each share class represents an interest in the same investment portfolio, but may have or be subject to different fees and expenses. The availability and eligibility requirements of share classes offered by a Money Fund are typically outlined in the prospectus and statement of additional information of the fund and may vary from class to

class.

Money Funds available at Merrill Lynch typically do not incur a sales charge, but they may be subject to annual asset based charges by the fund. A portion of the compensation Merrill Lynch receives from the fund covers the types of additional services described below.

Merrill Lynch provides a variety of distribution, marketing support and other services with respect to the Money Funds. Merrill Lynch also provides various sub-accounting and other related administrative services with respect to each Money Fund position held in an account at Merrill Lynch (see *Additional Services Covered under Merrill Lynch's Compensation from the Fund* section above).

The Money Funds are generally available for purchase as a money market fund option only in a Merrill Lynch account. Therefore, if you would like the ability to exchange into another fund family's money market fund, you may need to open an account directly with that fund family's transfer agent or other service provider.

An investment in a money market fund is not a bank deposit, and is not insured or guaranteed by Bank of America, N.A., Merrill Lynch, or any government agency. Although a Money Fund seeks to preserve the value of your investment, it is possible to lose money by investing in a Money Fund.

Purchases, Sales and Transfers

Merrill Lynch maintains policies prohibiting late trading in, and the excessive trading of, fund shares. Merrill Lynch's excessive trading policies may not be consistent with fund companies' excessive trading policies. Merrill Lynch personnel may not open accounts or enter client transactions for the purpose of late trading, excessive trading or market timing, nor may they facilitate late trading, excessive trading or market timing in accounts at the funds' transfer agents, or assist clients in making other arrangements to late trade, excessively trade or market time offshore funds. There is no guarantee that all instances of excessive trading will be prevented.

In certain cases, the funds you hold through Merrill Lynch may not be transferable to another

financial intermediary. This may occur for a number of reasons, including situations where the other financial intermediary does not have appropriate agreements with those funds. The same may be true if you hold your offshore fund shares at another financial intermediary and attempt to transfer those shares to your Merrill Lynch account. In these instances you will need to determine what you would like to do with the fund shares: (i) liquidate them (which may result in redemption or other fees, sales charges or a taxable event), (ii) transfer them from the financial intermediary to the fund (or its transfer agent), (iii) request share certificates to be issued to you (typically not available for offshore fund shares), or (iv) retain them at the financial intermediary through which you currently hold them. Please refer to the applicable fund prospectus or contact your Merrill Lynch Financial Advisor for further information.

Other Services

Bank of America Corporation is a diversified financial services company that together with its affiliates generally seeks to provide a wide range of services to retail and institutional clients for which it receives compensation. As a result, BofA Corp and Merrill Lynch can be expected to pursue additional business opportunities with the firms whose funds Merrill Lynch makes available to its clients. Consistent with industry regulations applicable to Merrill Lynch, these services could include (but are not limited to): banking and lending services, sponsorship of deferred compensation and retirement plans, investment banking, securities research, institutional trading services, investment advisory services, and effecting portfolio securities transactions for funds and other clients. Merrill Lynch professionals (including your Merrill Lynch Financial Advisor) involved with the offering of funds to individual investor clients may introduce fund distributors, sponsors or service providers to other services that BAC and its affiliates provide. Revenue paid for, or generated by, such services may not be used by the fund distributors, sponsors or service providers to compensate Merrill Lynch, directly or indirectly, for any of the fees described throughout this pamphlet.

Information about a particular offshore fund's policies regarding selection of brokers generally may be found in the fund's prospectus, which you may request from the fund.

