

Merrill Lynch- Introduction to the Firm

May 29, 2015

What are your expectations of the Intern Program?

I expect to gain better professionalism skills, to gain a knowledge about managing finances, to gain background information about Merrill Lynch Bank of America Cooperation, to gain more experience in marketing, to improve my analysis skills, to develop relationships with clients as well as other interns and employees, to improve my public speaking skills, and to work on ad-hoc projects.

What is your office's attire policy and why is it important?

It is important to show respect for the work environment and peers. For men, they should be wearing neatly ironed white or blue shirt with collars and neatly knotted tie with a conservative pattern. For women, neatly ironed, well tailored suits, slacks, or skirts. As for everyone, wear polished shoes, colors should match, and avoid dressing down on Fridays. You want to be able to show your credibility to your peers and to the local office.

What information is available on Flagspace?

It is the 'go to' page. Flagspace allows access to firm wired information, tools, and resources.

What is the history of Merrill Lynch?

Company was founded on January 6, 1914 by Charles E. Merrill and Edmund C. Lynch. The business opened at 7 Wall Street in New York City. The name was originally *Merrill, Lynch & Co.* The comma was later taken out of the name after Edmund Lynch passed away. The beginning of the firm's success was when they purchased a controlling interest in Safeway. Safeway later became the country's largest grocery store chain in the early 1930s. Later Charles merged with E.A. Pierce & Co. to focus on investment banking. After Edmund Lynch's death, Merrill Lynch merged with Cassatt & Co. as well. After the merge, they were the first company on Wall Street to publish an annual fiscal report in 1941. Within the same year, Merrill Lynch merged with Fenner & Beane and was renamed *Merrill Lynch, Pierce, Fenner & Beane*. The firm later became public in 1971 and became a multinational cooperation with over US \$1.8 trillion in client assets, operating in more than 40 countries around the world. In 1977, the firm introduced its Cash Management Account (CMA), which allowed enabled customers to place all their cash into a money market mutual fund. CMA also included check-writing capabilities and a credit card. On September 14th, 2008, Bank of America purchased Merrill Lynch for \$38.25 billion in stock.

Why is Compliance and Risk Management training so critical to Merrill Lynch?

It is important to maintain competitive advantage and to know how to manage different risks. It's also important for employees to know job responsibilities and know how to help managing risk.

What is the PMD Program and why is it important part of Merrill Lynch?

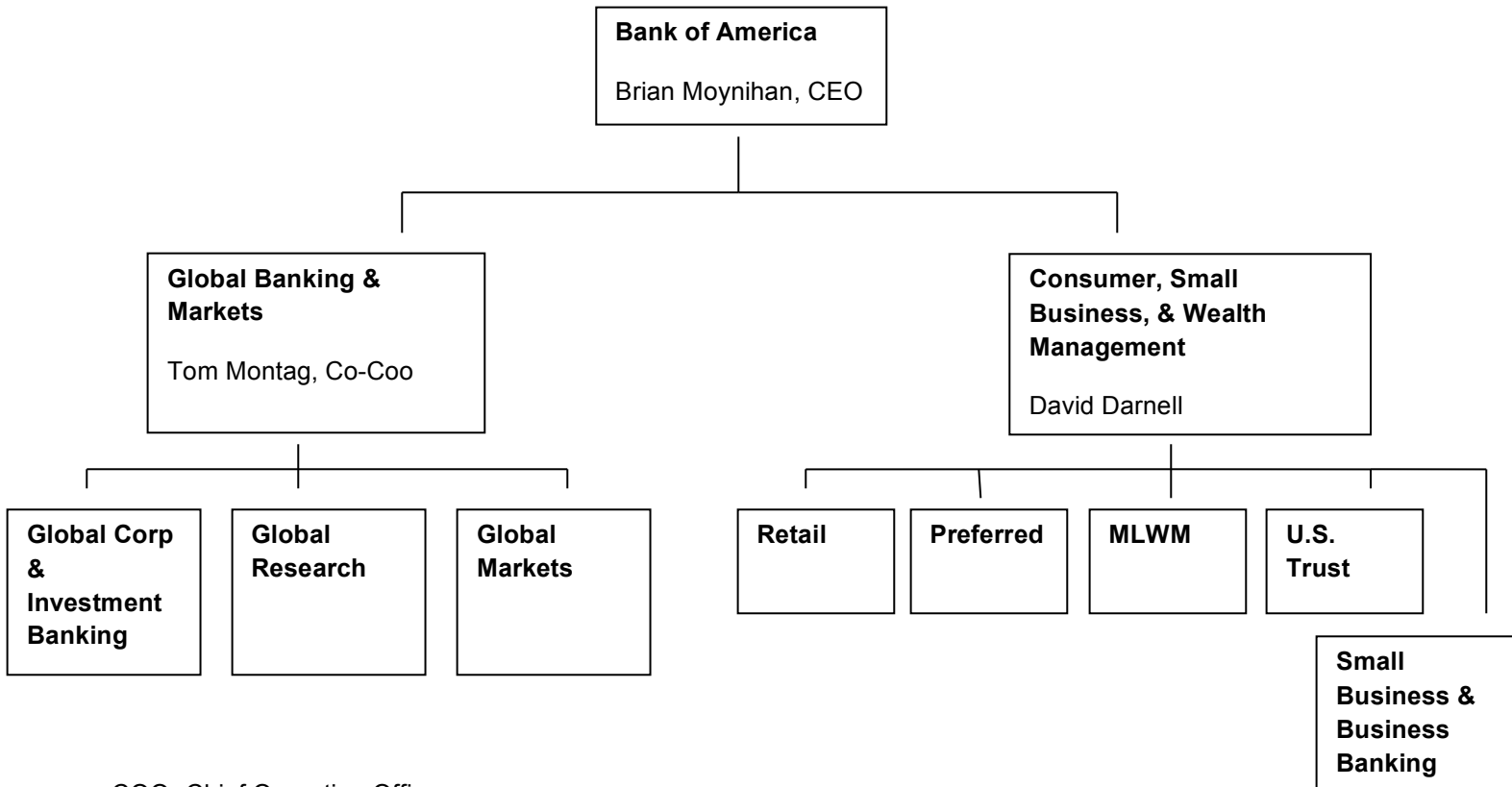
The Practice Management Development (PMD) is a 3 year program that helps you get started. It is a training program to help you get prepared into the business as well as help you to become a financial advisor.

What are some techniques you can use to remember names?

Saying the person's name out loud- saying things aloud helps me remember better.

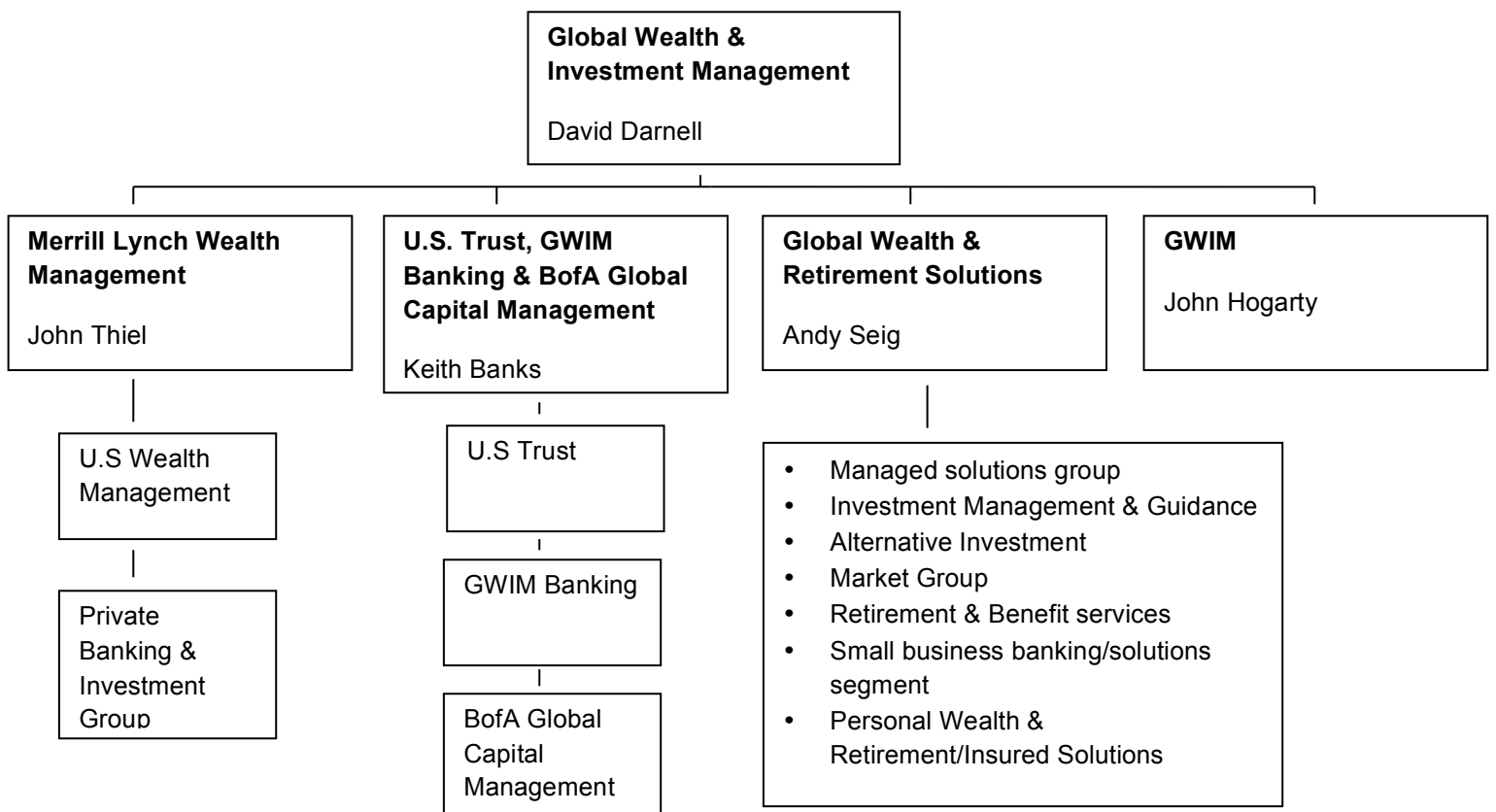
How if GWIM structured?

Bank of America Organizational Structure



COO- Chief Operating Officer

MLWM- Merrill Lynch Wealth Management advisors



Within GWIM, there are several branches that serve customers: Merrill Edge, Merrill Lynch Wealth Management Private Banking & Investment Group, & Solutions. They all focus on different segments.

U.S. Trust: Ultra High Net Worth- Individuals with investable assets of \$10MM+

Bank of America Merrill Lynch Global Wealth & Retirement Solutions: Institutions- Small businesses/corporations/Institutions

Merrill Edge: Preferred- Individuals with investable assets of \$50k-\$250k

Merrill Lynch Wealth Management: Afluent/High Net Worth- Individual with investable assets of \$250k-\$10MM

What are the risks that Merrill Lynch could be exposed to?

Examples could be conflict of interest; privacy; economic sanctions; Americans with Disabilities Act; anti-bribery and anti-corruption; anti-money laundering; asset management code of conduct; associate investment monitoring; business environment and internal control factors procedures; customer due diligence requirements; equity aggregation monitoring and reporting; financial reform; gifts, entertainment, training, and educational meetings; Community Reinvestment Act (CRA); enterprise areas of coverage; enterprise fair lending compliance; Foreign Account Tax Compliance Act (FATCA); Global Control Room; Global financial crimes compliance; Global registration and licensing; Outside business activities; Privacy; Restricted Lists; and U.S. Employee Political activities.

Who are the members of your Office Management Team (OMT) and what are their duties?

Martin Rice is a wealth management advisor. He works with client families living throughout the US as well as some abroad.

Beau Barrett is a wealth management advisor. His area of focus includes asset allocation, investment portfolio modeling & design, investment manager search, selection and monitoring, portfolio performance analysis and tracking, and retirement and cash flow analytics.

Janet Lasiter is registered senior associate. She utilizes her administrative proficiency, customer service skills, communications experience, and leadership to provide a functional foundation for the team, often acting as point on client projects.

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Week 2

June 2, 2015

What is OPM and why is it important to the success of an Advisor's practice?

The Optimal Practice Model is a framework that includes six functional roles developed by analyzing the practices of some of our best advisors. It is important because the practice gives the Advisor's the greatest business growth and client satisfaction.

Explain how clients can benefit from working with an OPM team compared to a sole practitioner?

Some benefits clients can gain are the OPM team getting a better understanding of their life, building the client's financial strategy, and having peace of mind with the client.

What are the 6 functional roles that frame the Optimal Practice Model and what is their importance?

1. Business Management
Establishes the team's strategy, direction, and clearly defined roles. Identifies segmentation and ensures that appropriate resources across the firm are engaged to bring the right solution to the client or prospect.
2. Business Development
Creates and articulates a clear value proposition and client acquisition strategy against target market/specialization. Follows a detailed execution plan that includes prospecting activities, marketing tactics, and a pipeline management system.
3. Planning
Consistently uses an effective client profiling process and leverages Wealth Management tools and reports to provide comprehensive solutions for client's financial needs. Ensures that solutions apply asset allocation, investment, and planning recommendations, and focus on progress toward goals.
4. Investments/Financing
Creates and implements a consistent investment process and discipline across the book of clients by leveraging model portfolios for scale and performance consistency. Executes through monitoring of products, managers, alternative investments and platforms. Provides ongoing feedback and team updates.
5. Relationship Management
Develops a structured process that ensures proactive client outreach based on relationship size and scope. Engages clients and builds relationships with other advisors and centers of influence to understand totality of clients' personal needs and issues.
6. Service and Administration
Establishes/implements a consistent client service model. Manages all phases of client service, ensuring a smooth on-boarding process, efficient account maintenance, and effective handling of client inquiries.

Which functional role of the Optimal Practice Model would you like to perform?

The functional role that I would like to perform is Relationship Management because I think it would be a great opportunity to build a professional and personal relationship with a client. I also think developing relationships with clients is important because you want your client to stay within your company and in order to make your client happy, it is our job to show the initiative that we want to develop that relationship with them.

What did you find most interesting on the OPM Website?

I think the most interesting feature on the OPM website was the Financial Advisor Best Practice Series. It seems to be a very helpful resource for Financial Advisors and it is a resource they all should utilize. I really liked that the series would feature an actual Financial Advisor that has been successful in one of the six functional roles for OPM.

What is the Good/Better/Best Guide and why do you think it was created?

The Good/Better/Best Guide is an additional resource for the OPM assessment and is a reference for your practice in business planning, roles and responsibilities analysis, and providing a more consistent, compelling client experience. I think this guide was created as an additional resource for employees on how to improve in their personal performance.

What Wealth Management tools are being used to support the Merrill Lynch Wealth Management Process?

Some Wealth Management tools that are being used are wealth outlook, investment proposal, portfolio snapshot, client review center, assessing your goals, investment personality assessment, and new wealth outlook.

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Week 3

June 8, 2015

In your own words, how will you define/describe the Goals Based Wealth Management Strategy?

It is not described as a planning tool. It is a shift in a mind-set. The strategy is being used to talking to clients about what they are thinking about their money, instead of us thinking about their money.

How is GBWM helping Advisors change the conversation with clients?

Advisors are changing conversations with clients by changing their vocabulary. Changing our vocabulary helps us understand the clients goals and outcomes more deeply and it also helps our clients have a better understanding.

What are the 5 steps that structure GBWM?

1. Assess Situation
2. Articulate Needs and Goals
3. Define and Refine Approach
4. Implement Goals-Based Solutions
5. Review Progress to Goals

In order to truly deliver GBWM to clients, Advisors need to utilize certain tools related and relevant to each step of the GBWM strategy; name some of the tools Merrill Lynch offers that is associated with each of the 5 steps.

1. Assess Situation- *Investment Personality Questionnaire* helps understand what's important to your clients and how they make decisions. It does not required financial calculations or have invasive wealth questions and can help you prepare your clients for a variety of market events by giving them example scenarios based on their investment personalities.
2. Articulate Needs and Goals- *Wealth Management Questionnaire* helps guide conversations with prospects and clients. This questionnaire will provide a comprehensive summary of topics to discuss, as well as acts as a useful tool in gathering personal, demographic, financial and goal information.
3. Define and Refine Approach- *Wealth Outlook* develops statements and run analyses that can help you prepare your clients to work toward their goals through the Net worth Statement, Conduct plan diagnostics to gain insights into optimization, and analyze all goals to help facilitate conversations about tradeoffs that might need to be made.
4. Implement Goals-Based Solutions- *Investment Proposal* helps you provide clients with specific recommendations for executing a target asset allocation across a wide variety of investments.
5. Reviewing Progress to Goals- *Client Review Center* allows you to customize analyses and present reports such as balances, holdings, time-weighted rate of return, asset allocation, sector analysis, and more. The potential wealth report represents forward-looking projections. Using this tool will allow you to conduct an organized and productive client review meeting.

Of the tools you listed above, which of them (one or more) will you most likely specialize in?

Out of the tools listed above, I think I will most likely specialize in the Investment Personality Questionnaire, Wealth Management Questionnaire, and Client Review Center.

What is the Goals Based Client Management Process (GB-CMP)?

The GB-CMP is a Complex Director-led process to help advisors to deliver GBWM to clients.

What are the nine client segments related to the GB-CMP based on?

The nine client segments are based on the Advice Matrix. The Advice Matrix allows Complex Directors and Advisors to take results from client conversations and apply them to identify potential solutions. Each segment is based on the life stage/affluence of your client and to is used to view Advisor-to-client talking points, potential solutions, and implementation ideas.

How does goal alignment build client trust?

By understanding our client's goals, customizing our approach to them as individuals, and to ultimately achieving goal attainment.

Think about your family and the how they would benefit from goal alignment; what matters to them?

My parents could benefit from goal alignment by achieving their goal for retirement. My dad's plan is to retire as soon as my younger sister graduates from college. With goal alignment, we could help plan their savings whenever it comes to my dad retiring. That way he has an idea on what his income will be in the near future.

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Week 4

June 16, 2015

There are 5 main strategies the firm has identified to acquire clients; what are they?

1. Sourcing and Intros
2. Intimate Events
3. Strategic Networking
4. Referral Alliances
5. Targeted Seminars

What marketing tools and resources are available to PMDs? What did you find most interesting?

The marketing tools and resources that are available to PMDs are Value Proposition, Elevator Pitches, Core Client Presentation, and Business Plan and Marketing Plan. I think the most interesting resource is the Value Proposition because I love being creative and persuading clients into thinking why we would provide the best business for them- helping them make significant decisions, understanding their goals, etc.

What is SMART Marketing? How could you use it to build your book of business?

SMART Marketing is a time-tested program for Financial Advisors to learn how to develop unique, relationship-based marketing plans that are effective reaching specific affluent prospects, with a minimum level of rejection, and are enjoyable to implement. Using the SMART Marketing can help me learn the importance of targeting prospects and selecting niches, getting face-to-face with affluent prospects, building trust and affection with potential clients, responding and earning business with superior practices, and leveraging existing relationships as a way to get personal introductions to other wealthy prospects.

What internal resources are available that are focused on the Next Generation?

Internal resources that are available are behavioral finance resources, wealth outlook, and education snapshot.

Behavioral Finance Resources- This resource can help a Financial Advisor establish meaningful bonds with the next generation, a set of client-facing whitepapers connect innovations in Behavioral Finance to key areas of reaching young investors. It can also help FAs clients articulate and achieve their current and future financial goals by understanding their wants, behavioral propensities, and emotions.

Wealth outlook-This resource can help FAs provide clients with a greater understanding of where they are in relation to their objectives. It can also help FAs outline a strategy to help them pursue their goals.

Education Snapshot- This resource can help FAs project timing and cost of both public and private school education, evaluate clients' savings levels and help them set realistic education savings goals.

Why is Merrill Lynch focusing on the Next Generation?

It is important to proactively discuss with clients how to transfer their wealth to the next generation. It can help an FA deepen their current relationships, create new ones with their heirs and increase an FA's opportunity to retain and grow assets under management.

What are best practices for enhancing a client's service experience at Merrill Lynch?

- Print Daily Deposits each morning from the previous day and make "Thank You" calls.

- Assemble and send to new clients a personal Welcome Binder that includes: 800 numbers, biographies of FAs and Client Associates, and appropriate Merrill Lynch product and services brochures, etc.
- Provide valet parking for client visits to the office
- Make a donation to a charity meaningful to the client, in the name of the client, to recognize a major event in the client's life.
- Laminate business cards for the clients.

--Provide examples of how you would utilize different business development strategies.

For a value proposition, I would use that strategy to commit to a new client. Another example could be strategic networking. Again, I would use that strategy to help me commit to a new client or even more than just one client.

Explain how providing clients with goals based wealth management solutions can help retention.

Voice and name recognition are the number one drivers of client retention.

What is the difference between asking for an introduction versus referrals from current clients?

Asking for an introduction can increase a Financial Advisors chance of developing new relationships with more qualified individuals. Better introductions mean that you'll be meeting with exactly the type of individuals you want to work with.

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Week 9

July 7, 2015

How is the PMD Program organized? How long is each stage?

The PMD Program is organized to train new Financial Advisors. Throughout the first 36-43 months, the program provides a structured learning curriculum: prepares new Financial Advisors to sit for FINRA examinations, create viable business and marketing plans, learn the skills associated with client acquisition and client interaction, and begin leveraging the fully integrated suite of systems and tools available within Merrill Lynch. As for the stages, they all differ with how long they take. For the training stage, it takes about 4 months. For the development stage, it takes about 3 months. For stage 1, 2, and 3, it takes about 12 months.

What is the compensation plan for PMDs?

The compensation plan for PMDs is for PMD BFAs to be familiar with a number of compensation policies, including Recognition Clubs, Titles, Phoned in Orders, Forced Liquidations and TIN/W-9 not on file.

What do you think is the greatest challenge you would face as a PMD?

I think the greatest challenge as a PMD would be the time frame. It takes about 36 months to graduate from the Program and for me, sometimes I can become impatient. If I had the ability to, I would rather finish the program within 12 months instead of 36.

What are some examples of career progression in your office?

So far throughout my intern experience, I have not seen any career progression in my office. But I am sure there has been career progression that has taken place within my office. For example, an employee cannot start as a Senior Vice President of Wealth Management. Everyone has to work from the bottom and work their way up to the top, just like my boss Martin Rice.

What professional designations are available for FAs?

Professional designations that are available for FAs are the Line of Business supported Designations hyperlinks to detailed information and supported training providers, how to register for a professional designations on individual designation information links, and Membership, CE requirements and length of completion time for each designation.

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Week 6

July 2, 2015

Explain how technology can help out advisors have a deeper connection with our clients

Technology can help out advisors in numerous of ways. Technology can give clients access anytime. Clients can see their Merrill Edge investment and Bank of America bank accounts online, on their mobile devices, and at thousands of Bank of America ATMs. Technology can also give clients help anytime. If no one is available, clients can always access help on Merrilledge.com.

How can advisors use technology from a business development perspective?

Advisors can use technology by providing services available to their clients. They can also use technology to develop research and insights. Advisors can also draw upon a wealth of offerings from Merrill Lynch and Bank of America.

What information and tools are available to clients on myMerrill.com?

The information and tools that are available to clients are Flipboard, apps on mobile devices, and the paperless award-winning magazine.

What is Merrill Edge and what clients are the best fit for this investments channel?

Merrill Edge is a website for clients to get access to a full range of investments, easy-to-use tools and independent research. Merrill Edge offers the investment insights of Merrill Lynch plus the convenience of Bank of America banking.

What information did you find most interesting on the women and investment site?

Some information I found to be the most interesting was about half the time it's the woman who puts the family first, and about half the time it's the man.