

Merrill Lynch Consults®

BROCHURE

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This wrap fee program brochure provides information about the qualifications and business practices of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") and Managed Account Advisors LLC ("MAA") relating to Merrill Lynch Consults®. If you have any questions about the contents of this brochure, please contact us at 800-MERRILL (800-637-7455). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Investment adviser registration does not imply a certain level of skill or training.

The advisory services described in this brochure are not insured or otherwise protected by the Federal Deposit Insurance Corporation or any other government agency; are not an obligation of any bank or any affiliate of MLPF&S or MAA; are not endorsed or guaranteed by Bank of America, N.A., MLPF&S, MAA, or any bank or any affiliate of MLPF&S or MAA; and involve investment risk, including possible loss of principal.

Additional information about MLPF&S and MAA also is available on the SEC's website at www.adviserinfo.sec.gov.

February 8, 2013

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The Merrill Lynch Consults Brochure will be amended to reflect the changes to our new Style Manager selection and evaluation process, which will be effective on March 15, 2013.

Changes to your Merrill Lynch Consults Brochure

MATERIAL CHANGES Section

The following text is being added:

Change in Methodology of Style Manager Selection and Evaluations

Currently, Style Manager evaluations are conducted periodically and may be either less or more frequent than quarterly. The frequency of our evaluations today may differ between certain Style Managers based on subjective factors determined by us. Beginning on March 15, 2013, the frequency of Style Manager evaluations will be at least quarterly, and the frequency of evaluation will no longer be solely dependent upon subjective factors determined by us. We will continue to select each new Style Manager to be offered in Consults using qualitative and quantitative factors.

Additional Guidance May Be Available for Financial Advisors for Select Style Managers

In addition to the quarterly evaluations, for select Style Managers, we will review additional subjective factors similar to as we do today. These evaluations may be accomplished through various means, such as in-person visits, telephone conference calls, reviews of performance, and updates of certain Style Manager documents and information. These select evaluations will enable us to provide our Financial Advisors with additional guidance on certain Style Managers. It is important to note that not all Style Managers will be subject to these additional subjective evaluations nor will your Financial Advisor be provided additional information with respect to all Style Managers available in Consults. The level of information we make available to you with respect to each Style Manager, however will not change.

PORTFOLIO MANAGER SELECTION AND EVALUATION Section

The following text replaces the existing paragraphs under “PORTFOLIO CONSTRUCTION, SCREENING AND SELECTION OF STYLE MANAGERS” and “REVIEW OF STYLE MANAGERS PARTICIPATING IN CONSULTS”:

We seek to provide clients with access to professional investment advice and to make available a choice of various investment styles and corresponding risk levels. As a general matter, we identify the rationale for a particular investment management style in Consults through client demand or the need to replace an existing Style Manager.

Screening and Selection of Style Managers. Once Merrill Lynch identifies a need for a particular investment management style, the Investment Management & Guidance group of Merrill Lynch, Pierce, Fenner & Smith Incorporated (“IMG”) uses a multi-factor process to screen and select suitable Style Managers to meet this need. These factors include, but are not limited to:

- Organizational structure and stability of a Style Manager;
- Adherence to investment style;
- Evaluation of risk and volatility;
- Investment professional and strategy resources;
- Investment philosophy and process;
- Portfolio construction; and
- Performance.

At the outset of the screening and selection process, IMG will generally gather information on the candidate Style Managers from published materials and investment manager products and services databases. At times, IMG may also gather information through requests for proposals and direct contact with candidate firms. Using the information collected, IMG will review candidate Style Managers based on the factors listed above, and may use both quantitative and qualitative analytical methods to do so, wherein some of the analytical methods may be subjective. IMG may assign different weightings to each of the factors considered and generally no single factor will be determinative in whether a particular Style Manager is offered in Consults. Further, IMG may replace one or more factors with a different factor that IMG reasonably believes is suitable and appropriate. For example, with respect to candidate Style Managers that have no prior performance in the style under consideration, IMG may screen such Style Managers for past performance achieved in other investment styles. Please note that although Merrill Lynch reviews a candidate Style Manager's past performance, we do not audit this data to verify either its accuracy or that each such Style Manager has calculated past performance in a manner that is consistent with industry standards or the methodology used by other investment managers.

In addition to the multi-factor screening process by IMG described above, Merrill Lynch will supplement IMG's review of candidate Style Managers by, among other things, assessing the Style Manager's operating capabilities were they to become participants in Consults, including the Style Manager's administrative processes and capacity to service clients, and considering their willingness to

participate in Consults on the required terms. If after the reviews Merrill Lynch believes that a candidate Style Manager is suitable for inclusion in Consults, such Style Manager's Strategy will be made available for selection for a client's Account.

Periodic Review of Style Managers. IMG will periodically re-evaluate Style Managers available in Consults.

For each Style Manager in Consults, IMG will:

- At least quarterly, re-evaluate all the factors analyzed during the initial due diligence review; and
- As needed upon notice of a material change, review the impact of any such changes on a Style Manager.

If IMG identifies material concerns relating to a Style Manager as a result of either the quarterly evaluation or a material change, IMG will conduct additional qualitative and subjective reviews to determine whether the Style Manager's offering in Consults continues to be appropriate.

IMG may also, in its discretion, conduct additional or more frequent reviews of select Style Managers that IMG believes warrant such review. IMG may decide to conduct additional reviews based on, for example, the level of assets of the Style Manager in client accounts at Merrill Lynch or an Affiliate Company, the number or percentage of Merrill Lynch or an Affiliate Company clients in the Style Manager's strategy, or the asset class involved. Investment strategies, managers and funds made available through certain Affiliate Company programs or services will be subject to these additional reviews. An "Affiliate Company" means a company that is controlled by, in control of, or under common control with, MLPF&S; an Affiliate Company includes Bank of America, N.A. ("BANA").

With respect to these select Style Managers, IMG may periodically evaluate certain additional qualitative and subjective factors. These reviews may be accomplished through various means, including, but not limited to, in-person visits, telephone conference calls, reviews of performance, and updates of certain Style Manager documents and information. We may also conduct periodic analysis of composite performance to determine whether that performance generally appears to be consistent with that of Consults Accounts. Merrill Lynch, including IMG, does not perform audits of Style Managers to verify past performance information that the Style Managers provide to us.

IMG may also, from time to time, make available additional guidance to Financial Advisors through regular or ad hoc internal publications, and may include, among other items, information that reflects internal IMG opinions and views with respect to a Style Manager or Strategy, notices of a particular event that may lead to a Style Manager or Strategy being closed to new investments or terminated from Consults or other information. This additional information may be used by your Financial Advisor in considering whether a particular Strategy is suitable for investment in your Account(s). You should understand that your Financial Advisor will not be provided such additional information with respect to all Style Managers available in Consults and your Financial Advisor may decide not to utilize or follow this additional guidance and make recommendations with respect to Strategies independent of the information and guidance provided by IMG. You should discuss with your Financial Advisor any questions you may have about IMG's views with respect to a particular Strategy.

In addition to IMG's periodic review as described above, Merrill Lynch will, at least annually, review a Style Manager's capabilities as participants in Consults, such as the Style Manager's administrative processes and continued capacity to service clients under the terms of Consults.

Status Change or Termination of Style Managers. If, as a result of IMG's review, we identify material concerns regarding a Style Manager, we may choose not to accept any new Accounts in any or all Strategies of that Style Manager. We will notify you of our decision to stop accepting new investments in a particular Strategy at least quarterly. In the case of material concerns, we may terminate the Style Manager from Consults. In the event of such termination, we will notify you prior to termination and suggest a suitable replacement. You may accept the suggested replacement, choose another Strategy, or terminate the Account or Client Agreement, as described in the *Description of Consults – Important Client Responsibilities* section. At times, the style of management of a particular Style Manager may vary or drift from the stated style, for example, due to the unavailability of investments consistent with that style or market movements affecting capitalization. We may allow a Style Manager's strategy or investment style to vary without removing the strategy or style from the platform if we determine that the changes to the style are reasonable in view of the circumstances.

Our review of Style Managers does not substitute for your ongoing monitoring of your Account and the performance of your investments. Please see the section entitled *Client Information Provided to Portfolio Managers* for additional information.

Consults Diversified Portfolios. For a Consults Diversified Portfolio and Multi-Firm Consults Diversified Portfolio (a "CDP/MFCDP"), we select the allocations or allocation ranges of the Style Managers and the investment styles. A lead Style Manager for each CDP/MFCDP is generally responsible for identifying Style Managers and investment styles to be included in the CDP/MFCDP and proposes such Style Managers and investment styles either to MAA or MLPF&S. Style Managers and investment styles included in CDP/MFCDPs are subject to the screening, selection and periodic review process described above. Please also see the section entitled "Description of Consults – Consults Diversified Portfolios" for additional information.

Merrill Lynch Consults®

MATERIAL CHANGES

On March 31, 2012, Merrill Lynch filed its last annual update for its Merrill Lynch Consults brochure ("Brochure" or "Disclosure Statement"). Set forth below are the material changes to this Brochure since that date. Capitalized terms that are not defined in this Brochure have the meanings provided in the Glossary.

On June 21, 2012, Merrill Lynch, without admitting or denying the findings, entered into an AWC with FINRA related to the following five issues: (1) Merrill Lynch failed to have an adequate supervisory system to ensure that clients in certain investment advisory programs were billed in accordance with applicable contract and disclosure statements, and, as a result, overcharged certain client accounts unwarranted fees from April 2003 to December 2011; the client accounts impacted were less than 5% of Merrill Lynch's total advisory accounts, and the fees overcharged represented less than one-half of 1% (\$32,174,369) of the total advisory fees billed during that period; All impacted clients have been reimbursed; (2) between July 2006 and November 2010, Merrill Lynch failed to send contemporaneous and/or periodic trade confirmations to certain client accounts for ten investment advisory programs; (3) between 1992 and June 2011, Merrill Lynch did not include or accurately state whether Merrill Lynch acted as an agent or a principal on trade confirmations and account statements relating to certain mutual fund transactions; (4) between 2007 and 2010, Merrill Lynch, either directly or through third-party vendors, failed to deliver proxy materials to certain clients or to their designated investment advisers, and to have an adequate supervisory system to detect its failure to deliver proxies; the clients impacted constituted less than 1% of Merrill Lynch's clients during that period; and (5) between October 2001 and June 2010, Merrill Lynch failed to send margin risk disclosure statements and/or business continuity plans to certain clients upon the opening of their accounts; the clients impacted constituted less than 1% of Merrill Lynch's clients during that period. In determining the appropriate sanctions, FINRA considered Merrill Lynch's internal review through which it identified the violations, the remedial measures that Merrill Lynch took to correct its systems and procedures, and Merrill Lynch's efforts to provide remediation to affected clients. Merrill Lynch consented to the imposition of a censure and a fine of \$2.8 million.

Previously, on March 31, 2011, Merrill Lynch filed its annual update for this Brochure. Set forth below are the material changes to this Brochure between March 31, 2011 and March 31, 2012.

Bank of America Corporation Divestiture of Ownership Interest in BlackRock

During 2011, Bank of America Corporation sold its remaining non-voting ownership interests in BlackRock. Merrill Lynch continues to hold a *de minimis* number of voting shares in BlackRock and distributes certain products and services sponsored by BlackRock under a global distribution agreement. Merrill Lynch reduced its presence on the BlackRock board of directors, and now only a single Merrill Lynch representative serves on the board of BlackRock. As a result of these changes, we have updated the Consults Brochure to no longer include BlackRock as a Related Company and BlackRock Funds, Style Managers, or products as Related Funds, Related Style Managers, or related products. Accordingly, we now may offer Strategies offered by a BlackRock Style Manager to clients that are Retirement Accounts without such clients specifically electing to be presented with BlackRock Strategies. Such clients also may select such a Strategy without the necessity of reviewing other alternatives. In addition, to the extent that certain Accounts received a credit of the advisory and other

fees paid by BlackRock Funds to their investment adviser because the BlackRock Funds had been deemed Related Funds, as discussed in the "Retirement Accounts" section of the Brochure, such credit will cease to be made going forward.

Disciplinary Event

We have amended the disciplinary events section of each Brochure by removing certain events (as permitted by applicable regulation) and adding the following event: On October 4, 2011, Merrill Lynch entered into a consent agreement with FINRA. FINRA alleged that Merrill Lynch failed to have a supervisory system to ensure that all accounts in which an employee either had a financial interest or over which the employee had control were monitored and reviewed for potential misconduct. In addition, FINRA found that Merrill Lynch failed to establish, maintain and enforce written procedures to adequately supervise a registered representative who was subsequently found to have used a business account at the firm to implement a fraudulent scheme. Without admitting or denying the findings, Merrill Lynch consented to the entry of findings, a censure, and a fine of \$1,000,000.

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Services, Fees and Compensation

- [1] Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”) and Managed Account Advisors LLC (“MAA”) are indirect wholly-owned subsidiaries of Bank of America Corporation (“Bank of America”). Capitalized terms that are not defined in this Brochure have the meanings provided in the Glossary. For purposes of this Brochure, “Merrill Lynch” means either MAA or MLPF&S or both, depending on the service provided. As used in this Brochure, “you” refers to the client. “We,” “us,” and “our” refers to Merrill Lynch.

Description of Consults

- [2] This Brochure relates to Merrill Lynch Consults® (“Consults”). Consults offers clients the opportunity to select one or more investment styles or disciplines or combinations of investment styles and disciplines (“Strategies”) offered by Style Managers participating in Consults. MAA is the investment manager for all Strategies offered in Consults and will manage your Account pursuant to the selected Strategy with discretion based on advice provided to MAA by various investment advisers participating in Consults (each, a “Style Manager”) and as further described below. Style Managers may include one or more affiliates of Merrill Lynch.
- [3] After considering the choices available, you will select one or more Strategies based on the compatibility of the relevant Strategy or Strategies with your investment needs, objectives and level of risk tolerance for your particular Account. MAA as the investment manager of the selected Strategies invests in individual equity and fixed income securities, but also may purchase, among other investments, mutual funds, closed-end funds, ETFs or other pooled products.
- [4] Consults is structured as a “three-party” arrangement among you, MLPF&S and MAA as the investment manager. You will enter into a Client Agreement with MLPF&S, and MLPF&S has entered into a separate Master Investment Management Agreement (the “Master Agreement”) or other arrangement with MAA as the investment manager. In Consults, you appoint MAA as the investment manager and, upon acceptance of your Account, MAA agrees to manage the assets in your Account in accordance with the terms of the Client Agreement, the Master Agreement or other arrangement, the respective Merrill Lynch Consults Profiles for each Strategy (each, a “Profile”) and the information provided by you in the Merrill Lynch Consults Questionnaire (the “Questionnaire”) or other written client instruction.
- [5] MLPF&S will generally determine the manner and extent to which Strategies and Style Managers will be made available to you through Consults, including when a Strategy will no longer be offered or will be restricted or restructured in its offering under Consults.
- [6] Strategies offered by Related Managers, as specified in the relevant Profiles, are among the choices made available to you through Consults. If your Account is a Retirement Account, you will generally not be offered Strategies of Related Managers unless you elect in your Client Agreement to be presented with such Strategies. If your Account is a Retirement Account, prior to selecting a Strategy that is offered by a Related Manager, you will be required to acknowledge that you have reviewed one or more alternative Strategies in each investment category offered by a Style Manager that is not a Related Manager after careful consideration without relying on any recommendations from MLPF&S or MAA as a primary basis for the selection.
- [7] The scope of any investment advisory relationship we have with you is defined in the Client Agreement you sign for Consults. When you are enrolled in Consults, we act as your investment adviser only for your Account and not any other assets or accounts, unless otherwise separately agreed to by us in writing. Our advisory relationship begins when we enter into a Client Agreement with you, which occurs at the later of the date of acceptance of the signed agreement by MLPF&S or the date on which you have contributed the required minimum level of assets to your Account for the Strategies you select. Preliminary discussions or recommendations before we enter into a Client Agreement with you are not intended as investment advice and should not be relied on as such.

- [8] In addition to Consults, MLPF&S offers a wide variety of investment advisory services, including Merrill Lynch Unified Managed Account, Merrill Lynch Mutual Fund Advisor® Program, the Merrill Lynch Personal Investment AdvisorySM program, the Merrill Lynch Strategic Portfolio Advisor service, the Merrill Lynch Personal Advisor service, and the Merrill Edge Advisory Account service. (Other advisory services are offered by our affiliates.) Impersonal investment advice in the form of publications and research may also be available. In addition, MLPF&S offers financial planning services, including the Financial Foundation® report and Private Planning ServicesSM. More information about these programs and services is contained in the applicable MLPF&S or MAA brochure (or MLPF&S or MAA Form ADV, Part 2A) and is available upon request or through the SEC's website at www.adviserinfo.sec.gov. For more information about these or other services that are available, please contact your Financial Advisor.

MANAGED ACCOUNT ADVISORS LLC AS INVESTMENT MANAGER

- [9] MAA acts as the investment manager based on advice provided by Style Managers. In general, Style Managers provide advisory services through Consults by furnishing investment recommendations to MAA for one or more Strategies based on model portfolios in accordance with the applicable Profiles. MAA, as the investment manager, has the responsibility for implementing each Strategy based on advice provided by the Style Manager, except when the Style Manager acts as an "implementing manager" (as described below). (Please see the section entitled *Trading in Consults Accounts* for a discussion about the Style Manager's trading discretion with respect to certain types of transactions.) MAA generally will implement the Style Manager's recommendations with respect to a Strategy without change, subject to any restrictions you impose, cash flow and other considerations reflected in your Client Agreement.
- [10] Certain of the Style Managers have full discretion to determine which securities to buy, sell or hold for all or a portion of your Account, and which broker-dealer should be selected to effect transactions for your Account, subject to any direction to trade with MLPF&S or its affiliates in the Client Agreement ("discretionary managers"). A discretionary manager is responsible for making and implementing investment decisions with respect to your Account in accordance with its Profile. MAA does not have responsibility for implementing investment decisions with respect to your Account if it is managed by a discretionary manager. However, MAA is responsible for enforcing any restrictions you impose on your Account.
- [11] Any services rendered with respect to your Account by a Style Manager will be pursuant to an investment manager advisory agreement between MAA and the Style Manager. You will not enter into a separate investment advisory agreement with any Style Manager, and the Style Manager will not ordinarily know your identity. However, you have authorized and directed MAA to provide any necessary information about you to an implementing manager as needed to provide services to you in Consults. You have also authorized MAA to provide such information to any potential replacement to the implementing manager and such information may be provided in advance of any necessary consent from you to such replacement.

CONSULTS DIVERSIFIED PORTFOLIOS

- [12] You also may choose to have your Account managed pursuant to a Strategy that is a multi-discipline Strategy, known as a Consults Diversified Portfolio or a Multi-Firm Consults Diversified Portfolio (each, a "CDP/MFCDP"). MAA is the investment manager for each CDP/MFCDP. Each identified portion within your Account is a Strategy or investment

style of a particular Style Manager ("CDP Style Manager"). A lead Style Manager for each CDP/MFCDP is generally responsible for identifying Style Managers and investment styles to be included in the CDP/MFCDP and proposes such Style Managers and investment styles either to MAA or MLPF&S. Each CDP Style Manager provides securities recommendations to MAA generally in the form of models and MAA acts as the overlay portfolio manager. MAA as the overlay portfolio manager will administer and monitor your CDP/MFCDP Account and is responsible for the ongoing management of the CDP/MFCDP Account. For these Accounts, each CDP Style Manager will enter into an agreement with MAA as the overlay portfolio manager and, in this regard, each CDP Style Manager is not a direct party to the Client Agreement.

IMPORTANT CLIENT RESPONSIBILITIES

- [13] In Consults, a Financial Advisor assists you in identifying your investment strategy so that you can select one or more Strategies from the Strategies available in Consults. You will be asked to complete a Questionnaire that elicits information about your financial circumstances, investment objectives, risk tolerance, investment restrictions, and other relevant information relating to your Account. Your answers to any questions, including those relating to investment returns, do not constitute a promise or guarantee. It is your responsibility to provide accurate and complete information, and update previously provided information if it changes materially, since the failure to do so could affect the suitability of the services provided to you.
- [14] You should review the Profile for each Strategy that you are considering. You may also discuss relevant topics with representatives of MAA. You will then select one or more Strategies based on the above information. Your risk category is designed to assist you in selecting a Strategy, and you may select a Strategy or blend of Strategies whose risk category, as indicated on the Profile(s), is the same as or different from yours.
- [15] You may choose one or more Strategies, including CDP/MFCDPs, in which one or more styles are used in the same Account. For CDP/MFCDPs, MAA, as the overlay portfolio manager, will implement the various investment styles using "target" asset allocation percentages based upon our proprietary models. MAA, as the overlay portfolio manager, will also rebalance the allocations generally every 12 to 18 months and/or when specific styles exceed the allocation guidelines.
- [16] If you select multiple Strategies, you should understand that the blended risk category of these Strategies can change over time as a result of changes in the value of each Account, changes to the risk category of a Strategy or your addition or withdrawal of assets from an Account. We encourage you to review periodically the blended risk category of the Strategies you select and to discuss any questions with your Financial Advisor. Of course, you may, at any time, select other Strategies, terminate a Strategy, change any responses to the Questionnaire or terminate your Client Agreement.
- [17] We do not assume responsibility for your choice of Strategies or a Strategy's investment performance. Similarly, MLPF&S does not monitor transactions directed by MAA as the investment manager or implementing managers for conformity with any applicable restrictions or requirements, even where MLPF&S executes the transactions. You always retain the final authority, obligation and responsibility for making your own determinations regarding the selection and retention of Strategies as well as the monitoring of your Account.
- [18] If you have opened an account on behalf of an employee benefit plan subject to ERISA or comparable state statutes, you should understand that our services described above are offered in order to assist plan

fiduciaries as they carry out their investment-related responsibilities and are not intended to be a primary basis for your decision. Moreover, these services should not substitute or diminish the careful deliberation and determination of those plan fiduciaries, after appropriate consultation with their other professional advisers and the review of relevant plan documentation.

- [19] Any securities issued by MLPF&S or its Related Companies (other than Related Funds) will generally not be eligible for investment through your Accounts. Any securities issued by a Style Manager or its affiliates (other than Manager Related Funds) will generally not be eligible for investment through your Accounts. In addition, our overall investment activities and those of our affiliates may limit the investment opportunities for your Account in certain markets in which limitations are imposed by regulators on the amount of investment by affiliated investors, in the aggregate or in individual issuers. Please see the section entitled *Risk and Tax Disclosure*.
- [20] MLPF&S will notify you when a Strategy you selected is terminated from Consults. The termination of your Strategy from Consults will result in the termination of your Account unless you select another participating Strategy by the termination date of the Strategy. To assist you in your selection of a replacement Strategy, MLPF&S may notify you of a potential replacement Strategy that is similar to the terminated Strategy. By continuing to participate in Consults after the termination of your Strategy without taking any other action to the contrary, you will be deemed to have selected the replacement Strategy for your Consults Account. Of course, you have the right at any time to select another Strategy or to terminate your Consults Account or your Client Agreement upon notice to MLPF&S.
- [21] Notwithstanding the above, if MLPF&S is required to terminate the offering of a Strategy due to unusual circumstances, then MLPF&S will immediately select a replacement Strategy that MLPF&S believes to be in your best interest; however, there is no guarantee that a substantially similar replacement to the Strategy that is no longer being offered will be available for your selection.
- [22] Changes in CDP Style Managers, which are proposed by a lead Style Manager and which MLPF&S and/or MAA agree to, are not treated as terminations.

REASONABLE INVESTMENT RESTRICTIONS

- [23] You may impose reasonable investment restrictions on the management of your Account. There are two types of investment restrictions that you may impose: individual security restrictions and sector restrictions. Restrictions will be reviewed by MAA to determine whether they are reasonable. MAA will implement any sector restrictions in a manner it determines in its sole discretion from time to time. If an individual security restriction is reasonable, MAA will generally allocate the assets that would have been invested in the restricted security to cash. From time to time MAA or a discretionary manager may also allocate pro rata across other investments held in the Strategy or to one or more substitute securities, which may include ETFs. If one or more of your restrictions are determined to be unreasonable, your Account will not be opened and you should consider other more appropriate Strategies, or other products or services. We may modify our practices regarding client-imposed restrictions in our sole discretion at any time and without notice to you.
- [24] If you impose reasonable investment restrictions on the management of your Account, including restrictions on investments, you accept any effect such restrictions may have on the investment performance and diversification of the securities in your Account. Such restrictions will not apply to

any portion of your Account invested in any Funds. Consequently, to the extent there are Funds in a Strategy that you select, your ability to restrict investments in the Account will be limited.

- [25] Merrill Lynch does not have any responsibility to review, monitor or adhere to any investment policy statement, investment guidelines or similar document relating to your Account and adherence to such investment policy statement, guidelines or similar document is solely your responsibility. It is your responsibility to promptly notify your Financial Advisor of any material changes to the information you furnish to Merrill Lynch, since failure to do so could affect the suitability of the services provided to you. You will be notified periodically to emphasize the need for you to report such information. Merrill Lynch will not be required to verify the accuracy of any such information you report.

RISK AND TAX DISCLOSURE

- [26] You should understand that all investments involve risk (the amount of which may vary significantly), that investment performance can never be predicted or guaranteed and that the value of your Account will fluctuate due to market conditions and other factors. We make no representations or warranties with respect to the present or future level of risk or volatility in, or the future performance of, your Account. You are assuming the risks involved with investing in securities and other investment products, and you could lose all or a portion of the amount held in your Account. You should read the prospectus or disclosure document, as applicable, for each asset purchased for your Account. For those Strategies in which MAA or the discretionary manager may sell securities short and/or use margin, there are additional risks that are discussed below in the section entitled *Long/Short Strategies and Margin*. There is no assurance that the performance results of any benchmark or index used in connection with Consults, including those shown on the performance measurement report and Profiles, can be attained. Market movements and other factors may result in significant differences between the performance of your Account and any investment objectives set forth in the Questionnaire. Investments made, and the actions taken, for your Account will be subject to various market, liquidity, currency, economic and political risks, and will not necessarily be profitable.
- [27] The overall investment activities of Merrill Lynch and its affiliates may limit the investment opportunities for your Account in certain markets in which limitations are imposed by regulators upon the amount of investment by affiliated investors, in the aggregate or in individual issuers. From time to time, your Account's activities also may be restricted because of regulatory restrictions applicable to Merrill Lynch and its affiliates, and/or their internal policies. Because of regulatory restrictions imposed on Merrill Lynch and its affiliates, it is possible that purchases and sales of certain securities may be prohibited for an extended period of time. This may have several consequences for your Account:
- For Portfolios or Strategies that rebalance (such as CDP/MFCDPs), this may result in your Account's actual allocation differing significantly from your selected Portfolio or Strategy.
 - Any contributions made during the period of restriction would not be invested in the restricted security, resulting in an allocation of Account assets that would differ from the Portfolio or Strategy selected.
 - MAA may be unable to buy or sell any portion of the specific security included in the Portfolio or Strategy.
 - MAA may have to select a substitute security with different characteristics than the restricted security for the investment of contributions and for new accounts that select an affected Portfolio or Strategy, or MAA may keep such portion of the Portfolio or Strategy in cash. This may impact your Account's performance.

[28] We may sell all or a portion of the securities in your Account, either initially or during the course of your participation in Consults. You are responsible for all the tax liabilities arising from these transactions. In addition, if you are not a resident of the United States, you assume the adverse tax consequences and other risks involved in investing in U.S. securities. Furthermore, you acknowledge that ordinary income dividends, including distributions of short-term capital gain, paid by Funds registered under the Investment Company Act to you will be subject to a United States withholding tax under existing provisions of the Internal Revenue Code of 1986 applicable to foreign individuals and entities, unless a withholding exemption is provided under applicable treaty law.

[29] We do not, and will not, offer tax advice to you on any such issues and you are strongly encouraged to seek the advice of a qualified tax professional. We are not responsible for making any tax credit or similar claim or any legal filing (including but not limited to proofs of claim) on your behalf.

[30] You may instruct us to effect tax-selling requests in your Consults Account. In connection with such requests:

- MAA will seek to comply with your instructions on a best efforts basis;
- MAA, in its discretion, may limit the amount of losses or gains that can be realized from your Consults Account at any time;
- Account performance may be adversely affected and may result in increased volatility;
- New taxable gains or losses could be generated and/or the same or similar securities may be repurchased through your Account's normal trading activity;
- Sales of securities to realize capital losses will be subject to the Internal Revenue Service wash sale rules;
- Tax loss sales may result in your Account having a higher-than-normal cash position for a period of time.

[31] We do not provide tax, accounting or legal advice, and you are encouraged to seek the advice of your own tax advisors regarding your tax-selling requests.

[32] If you use the services described in this Brochure, you may determine under limited circumstances not to use certain offered consulting services (either as part of the programs in which you are participating or separately), to make your investment-related decisions contrary to the suggestions being offered, or to make your own decisions in such matters without the benefit of the assistance of our personnel. For example, you may determine to select a Strategy that does not fall within the risk category otherwise initially indicated by the Questionnaire. A pro rata fee reduction will not be provided in such circumstances. More importantly, we have no responsibility whatsoever for your decision, the continued appropriateness of your decision or any consequences of your decision.

Funding and Operation of Consults Accounts

FUNDING, WITHDRAWALS AND ADDITIONS OF ASSETS IN CONSULTS ACCOUNTS

[33] You may fund your Account by depositing cash and/or securities acceptable to us. If any of the securities deposited to fund your Account cannot be held as part of the Strategy that you select or are otherwise ineligible to be held in Consults, then the Account will not be invested in

accordance with such Strategy until such time as the securities can be liquidated and the proceeds so invested. You authorize and direct us to liquidate all such securities on your behalf as promptly as practicable, including by redeeming any Fund shares, if applicable. MLPF&S will not act as a fiduciary or an investment adviser in connection with any such transactions, but is entitled to charge a commission for the sale of such securities and/or execute a principal trade for such sale, and, in doing so, may retain any related compensation.

[34] Depending on the type of security involved, these liquidations may cause you to incur taxable gains or losses or to pay applicable fees or charges. You should review the potential tax consequences of these liquidations with your tax advisor before funding an account with securities.

[35] You should note that any security purchased prior to enrolling in Consults and subsequently transferred into a Consults Account may be subject to the Consults fee upon its transfer to Consults. This means that you may pay an up-front commission, sales charge, load, transaction charge or fee (when the security was purchased prior to enrolling in Consults) as well as a Consults fee (once enrolled in Consults) in connection with the same security.

[36] You should consider all relevant factors before contributing mutual fund shares to your Account, including the fact that you may have paid a front-end sales charge, and any applicable contingent deferred sales charges or redemption fees will remain your responsibility and will be in addition to your Account fees. You should consult with your Financial Advisor as to whether you paid a front-end load on your Fund shares or whether you may be subject to a CDSC before transferring such shares into your Account.

[37] The discussion in this section regarding funding applies to both initial and any subsequent contributions of securities and/or Fund shares to client accounts.

[38] Under the terms of the Client Agreement, you agree to notify MLPF&S at least five business days prior to withdrawing funds or securities from your Account. In connection with withdrawal requests, you understand that:

- MAA or Style Managers, as applicable, require time to make decisions regarding the securities to liquidate to accommodate withdrawal requests;
- For certain Strategies and/or securities, such as foreign ordinary securities, convertibles, fixed-income securities, and/or securities that trade on a when-issued basis or as odd lots, it may take longer than five business days before you can access your requested funds;
- You must withdraw funds from your Account as soon as practicable after settlement date, and if the requested funds are not withdrawn from your Account within fifteen (15) days after settlement, the funds may be subject to reinvestment without notification to you by Merrill Lynch;
- Consults fees paid by you may increase and taxable gains and losses may be realized as a result of your withdrawal instructions;
- Withdrawal requests must not be used as a vehicle to increase the cash allocation in your Account, liquidate the entire Account, or effect tax-selling requests;
- Frequent withdrawals from your Account may affect the achievement of investment objectives for the applicable Strategy selected by you; and
- We reserve the right to terminate any Account that falls below the required minimum asset size as reflected in the applicable Profile.

[39] Additions of funds and securities to your Account do not require advance notice, except as specifically provided in the section entitled *Custodial Arrangements*. At the discretion of MAA, there may be a delay between

the date that funds or securities are contributed to an account and the date that MAA invests such funds (or liquidates securities added to the account) in accordance with the applicable Profile for a Strategy. Neither MLPF&S nor MAA will be liable for any lost opportunity profits that may result from a delay in investing your funds or securities.

- [40] Clients should understand that upon their account enrollment in the Consults program, the following services will not be available for that account: Checks, Visa® debit cards, web bill pay, online client orders, and systematic withdrawal services such as Move Money®/funds transfer disbursements. Similarly, the enrollment of an account in AIPS will be suspended during your participation in Consults, except to the extent that you have authorized the automatic transfer of cash into the account. Additional assets contributed through AIPS will be invested at our discretion, but generally on a pro rata basis among the investments in the account.

CUSTODIAL ARRANGEMENTS

- [41] Generally, MLPF&S or one of our affiliates will act as the custodian for the assets held in your Account. Your assets will be maintained in one or more central asset accounts established at MLPF&S through the applicable securities account. Pursuant to the Client Agreement, you agree to open any necessary securities accounts and execute the applicable MLPF&S securities account agreements. If you already have an existing MLPF&S securities account and instruct MLPF&S to open a similar type of account for Consults, the agreement and related documentation for your existing MLPF&S securities account will apply with full force and effect to your new account.
- [42] In limited circumstances, if Merrill Lynch agrees, you may use an Unrelated Custodian to maintain custody of assets in an account. If you choose an Unrelated Custodian, you will be responsible for all related custodial fees and expenses, which are in addition to the account fee. Furthermore, the performance reports MLPF&S provides for your Account will be based on information provided by the Unrelated Custodian, which MLPF&S will use for purposes of calculating the account fee. Neither MLPF&S nor MAA will be responsible for verifying the accuracy of such information or any losses or errors by an Unrelated Custodian in your Account. You agree to promptly notify your Financial Advisor about any additions of assets to the account maintained at the Unrelated Custodian and agree that neither MLPF&S nor MAA will be responsible or liable for any losses due to your failure to provide such prompt notification.
- [43] Any assets held in your Account must be free from any lien, charge or other encumbrance (other than a lien, charge or other encumbrance in favor of us or our affiliates). Such assets must remain so, unless you notify MLPF&S and MLPF&S agrees. You must notify MLPF&S in writing prior to effecting loans (including loans by our affiliates) secured by securities in your Account (commonly referred to as “collateralizing”). You understand that Merrill Lynch will not provide advice on or oversee any of your collateral arrangements. In the event of any conflict between the terms of the Client Agreement and your collateral arrangements, the terms of the Client Agreement will prevail. You must also disclose to any lender the terms of the Client Agreement. No specific securities in your Account must be held as collateral to secure your loan. Collateralizing your Account may have adverse effects, including, but not limited to, the fact that the lending institution may require additional collateral or liquidation of securities held in your Account to meet a call, as well as the related tax consequences. You must promptly notify MLPF&S of any default or similar event under your collateral arrangements as defined in the respective collateral arrangements.

- [44] Cash balances in accounts with Unrelated Custodians will not be subject to the same sweep arrangements as securities accounts held at MLPF&S (as described below in *Investment of Cash Balances*), but will be included in the value of your Account for the calculation of the Account fee. You should establish appropriate sweep arrangements with the selected Unrelated Custodian. Your assets held by Unrelated Custodians may not be protected by the Federal Deposit Insurance Corporation, SIPC or “excess” SIPC coverage. For more information about any of these services, you should contact your Financial Advisor.

INVESTMENT OF CASH BALANCES

- [45] Cash balances and funds pending investment will automatically be invested or “swept,” temporarily, as part of an asset allocation or for defensive purposes, in accordance with the cash sweep option that you selected in the underlying MLPF&S securities account agreement for your Account. Depending upon the type of securities account you establish, cash balances will be swept to one or more Merrill Lynch Banks, Related or Unrelated Money Market Funds, or to another available cash option. With certain account types, a sweep option may not be available. In that case, you will not be invested in one of the above sweep options as part of Consults.
- [46] For certain types of securities accounts, as provided in the applicable account agreements, you can choose the particular sweep investment and/or direct the investment of cash outside of the sweep. Your Financial Advisor can help you identify the sweep investment or other cash options, if any, available to you, but none of MAA, MLPF&S or the Financial Advisor has the discretion to make the selection for you. If you do not select a sweep investment, then a default option will be selected in accordance with the terms of your securities account agreement.
- [47] Unless otherwise agreed, your Account will be credited with any dividends, interest and principal paid on assets held in your Account.

TRADING IN CONSULTS ACCOUNTS

- [48] The Consults fees cover execution services for all transactions effected for your Account, except as indicated in the section entitled *Consults Fees*.
- [49] Under the terms of the Client Agreement, you have authorized and directed that all transactions in your Account, except as provided below, be effected by or through MLPF&S and its affiliates, acting as agent or, to the extent permitted by law, as principal. Notwithstanding this direction, if MLPF&S and its affiliates cannot effect a transaction on your behalf, you authorize and direct MAA to effect the transaction through an Unaffiliated Investment Firm. Your direction to use MLPF&S and its affiliates to effect transactions in your Account may result in less advantageous execution, including greater spreads (the difference between the bid and the offer price) or less favorable net prices, than if an Unaffiliated Investment Firm were to execute the transaction.
- [50] For a Strategy with a discretionary manager as indicated in the Profile, the discretionary manager has authority to place all orders for transactions in your Account with a broker-dealer selected by the discretionary manager, including an Unaffiliated Investment Firm, when consistent with the discretionary manager’s obligation to obtain best price and execution, provided that in the Client Agreement you direct the discretionary manager to place all trades in foreign ordinary securities through MLPF&S. For certain such discretionary managers, MAA personnel may provide administrative services to the Discretionary Manager to assist with the placement of orders at the direction of the discretionary manager. In selecting a firm to execute transactions for your Account, and selecting

the markets on or in which the transactions will be executed, the discretionary manager is not obligated to solicit competitive bids for each transaction or seek the lowest available commission cost to your Account, so long as the discretionary manager reasonably believes that the firm selected by it can be expected to obtain a “best execution” market price on the particular transaction.

- [51] Other Style Managers that are not discretionary managers, as described on the applicable Profile, are authorized to place orders for particular trades with MLPF&S and its affiliates or an Unaffiliated Investment Firm if the Style Manager determines that, after consultation with MAA, (i) the Style Manager is able to aggregate a particular trade for Consults client accounts and the accounts of clients in certain other investment advisory programs in a block trade, and (ii) such aggregation is expected by the Style Manager to be for the overall benefit of Consults clients and clients participating in such other investment advisory programs. Each time a Style Manager has the responsibility to place a trade for your Account, including when it is a discretionary manager, it will be considered an “implementing manager.”
- [52] By signing the Client Agreement, you appoint MAA and/or any implementing manager you select to act as your agent and attorney-in-fact with such power and authority as described above to buy, sell or otherwise effect transactions in stocks, options, bonds and any other securities or other property, in whole or in part, on margin if contemplated by your Strategy, for your Account and in your name. Under the terms of the Client Agreement, you have authorized MAA or an implementing manager to establish accounts with Unaffiliated Investment Firms, as necessary, for the purpose of effecting transactions in your Account, in accordance with applicable law.
- [53] When a discretionary manager selects a firm to execute transactions (or when MAA selects an Unaffiliated Investment Firm to execute transactions because MLPF&S and its affiliates cannot effect a transaction), it will take into account various factors, such as:
- The nature and quantity of the securities involved;
 - The markets involved;
 - The importance of speed, efficiency and confidentiality;
 - The firm's apparent knowledge of such markets and sources from or to whom particular securities might be purchased or sold;
 - The reputation and perceived soundness of the firm;
 - The ability and willingness of the firm to facilitate both purchases and sales of securities for client accounts by participating in such transactions for its own account;
 - The firm's clearance and settlement capabilities; and
 - Other factors relevant to the selection of a broker-dealer for the execution of client securities transactions.
- [54] The cost of brokerage commissions for any trades placed by an Implementing Manager and executed by an Unaffiliated Investment Firm, except for those in foreign ordinary and ADR securities, will be deducted from the Style Manager Expense that would otherwise be paid to the Implementing Manager. However, for some Implementing Managers, the Style Manager Expense will be higher than that for other Style Managers with the same or similar Strategies, and, as a result, you will indirectly bear the cost of trades executed with Unaffiliated Investment Firms. Since you will pay the same Style Manager expense regardless of whether or not an Implementing Manager trades for your Account through an Unaffiliated

Investment Firm, this may create a material conflict of interest, or the appearance of a material conflict of interest, between the Implementing Manager and you.

- [55] Markups or markdowns that are not treated as commissions and that are payable to Unaffiliated Investment Firms (including on fixed-income or over-the-counter transactions in which MLPF&S and its affiliates act as agent) are not covered by Account fees, and you, rather than us or the implementing manager, will pay.
- [56] In effecting transactions for your Account, MLPF&S and its affiliates will be acting exclusively as a broker-dealer.
- [57] MAA or the implementing manager may, but is not required to, aggregate orders for the sale or purchase of securities for your Account with orders for the same security for our other clients, proprietary accounts or the accounts of our employees and/or related persons, without your prior authorization. In such cases, each account in the aggregated transaction will be charged or credited with the average price and, when applicable, its pro rata share of any fees. To the extent Style Managers provide similar investment recommendations for a particular Strategy or Strategies to MAA for implementation, MAA's ability to implement those recommendations may be affected by the liquidity of the security, market volatility and any price limits that may be imposed by the Style Managers. This may in turn have a negative impact on the performance of your Account in that particular Strategy or Strategies.
- [58] When MLPF&S executes transactions in foreign ordinary securities outside the United States, it may use the services of foreign Unaffiliated Investment Firms. These foreign Unaffiliated Investment Firms may handle your order as agent and assess a commission charge, or they may transact as principal and receive a dealer spread or markup/down. Additionally, to the extent a foreign currency conversion transaction is required to facilitate trade settlement, the foreign Unaffiliated Investment Firm (or its affiliate) effecting the currency conversion will be remunerated in the form of a dealer spread or markup/down. Although the remuneration received by the foreign Unaffiliated Investment Firm is not disclosed to or by MLPF&S in net price transactions, MLPF&S will undertake, at your written request, to determine or ascertain from the counterparty this remuneration in a given transaction for your Account. The commission charges and/or dealer spreads of foreign Unaffiliated Investment Firms may also accrue when foreign issuers terminate an ADR facility, thereby necessitating conversion of ADRs to foreign ordinary share form. In such circumstances, the prices obtained for the post-ADR security may be less beneficial to you than if the ADR remained intact. These commission charges and/or dealer spreads are in addition to the Account fee payable under the Client Agreement.
- [59] As required by law, you will be sent a copy of the prospectus or disclosure document for each applicable asset purchased for your Account.

PROXY VOTING AND OTHER LEGAL MATTERS

- [60] You direct MAA to respond to corporate actions, including reorganizations, with respect to securities held in your Account.
- [61] Unless otherwise designated by you in the Client Agreement or other writing addressed to Merrill Lynch, you direct MAA to vote proxies and receive other issuer-related material solely with respect to Specified Investments held in your Account. “Specified Investments” are those securities for which ISS, or a successor proxy voting service we select, does not provide proxy voting services and that are listed as Specified Investments, a list of which is available upon request.

[62] To the extent that ISS or a successor proxy voting service, as the case may be, begins to offer proxy voting services with respect to any security that was previously a Specified Investment, such security will cease to be a Specified Investment and MAA's authority to vote proxies with respect to such security will terminate. In the event a security that was a Specified Investment is removed from the list and not covered by ISS' or a successor proxy voting service's proxy voting services, then MAA's authority to vote proxies with respect to such security will terminate, and authority to vote proxies with respect to such security will revert to you. In such event, we will use our best efforts to send to you all issuer materials for such security held in your Account. In instances where we have determined it is not possible given timing or other circumstances, such proxies will not be voted. Delivery of such issuer materials to you will constitute notice that proxy voting authority with respect to such security has reverted to you. Unless you notify Merrill Lynch otherwise, you authorize the delegation, on your behalf, of proxy voting authority with respect to all securities, including shares of Funds, held in your Account, other than Specified Investments, to ISS or a successor proxy voting service selected by us and deemed satisfactory by us, provided that we shall provide you with notice of a change in the proxy voting service to which proxy voting authority is delegated hereunder. ISS or such successor proxy voting service is authorized and instructed to vote all proxies for such securities held in your Account in accordance with its proxy voting guidelines and related procedures applicable to your Account ("Proxy Guidelines") that are or will be available on a website to which we will direct you ("the Website") and to receive other issuer-related material with respect to such securities held in your Account on your behalf.

[63] You retain the right to vote, and agree that neither MAA nor ISS or a successor proxy voting service, as the case may be, will vote, proxies with respect to any securities in an account held with an Unrelated Custodian, any related proxy materials received will be forwarded to you. In addition, if you are a Retirement Account client with an Unrelated Custodian, you acknowledge and agree that you retain the right to vote, and neither MAA nor ISS or a successor proxy voting service, as the case may be, will vote, proxies with respect to any security in an Account held with an Unrelated Custodian, and any related proxy materials received will be forwarded to you.

[64] In addition, neither MAA nor ISS or a successor proxy voting service, as the case may be, will vote proxies with respect to securities held in an Account in the following circumstances:

- The securities are no longer held in your Account;
- The proxy or other relevant materials are not received in sufficient time to allow an appropriate analysis or to allow a vote to be cast by the voting deadline; or
- MAA or ISS or a successor proxy voting service, as the case may be, concludes that the cost of voting the proxy will exceed the potential benefit to you.

[65] Neither MAA nor ISS or a successor proxy voting service, as the case may be, will vote proxies in respect of foreign ordinary securities if voting may cause the sale of the security to be prohibited under foreign law for a period of time, usually the time between the record and meeting dates. MAA will not vote proxies for any Specified Investments held in your Account in any instance where MAA is unable to obtain supplemental information that it deems necessary to make an informed decision regarding the manner in which to vote. We will not advise or act for you with respect to any legal matters (other than proxies) for securities held in your

Account, including bankruptcies for which you need to decide between a cash or stock settlement or provide other consents, or class actions, and any documents received with respect to such matters will be sent to you.

[66] To the extent that instructions regarding the voting of proxies for securities, including Registered Funds, are not received and as permitted by law, we will comply with the rules of the FINRA and the SEC relating to such matters.

[67] If you have directed MAA and ISS or a successor proxy voting service, as the case may be, to vote proxies, then MAA and ISS or a successor proxy voting service, as the case may be, will each exercise the applicable voting authority in its sole discretion without any reservation of authority by you to direct voting with respect to a specific proxy. MAA and ISS or a successor proxy voting service, as the case may be, will each vote proxies in accordance with its respective proxy voting policies and procedures, which are or will be available on the Website, and in the case of MAA's policies and procedures, are summarized in the section below entitled *Summary of MAA Proxy Voting Policies*.

SUMMARY OF MAA PROXY VOTING POLICIES

[68] MAA has written policies and procedures regarding the voting of securities in client accounts where it has proxy voting responsibility. These policies and procedures seek to ensure that proxy voting decisions are made in the best interests of clients. When voting proxies for client accounts, MAA's primary objective is to make voting decisions solely in the best interests of clients. In fulfilling its obligations to clients, MAA will seek to act in a manner that it believes is most likely to enhance the economic value of the underlying securities held in client accounts.

[69] Given the complexity of the issues that may be raised in connection with proxy votes, MAA has established a proxy voting committee to address proxy voting issues on behalf of clients that have delegated proxy voting authority to MAA. The proxy voting committee determines how to vote the proxies of clients for which MAA has proxy voting responsibility, and it seeks to ensure that all votes are consistent with the best interests of those clients and are free from unwarranted or inappropriate influences. The proxy voting committee established general proxy voting guidelines and is responsible for determining how those guidelines are applied to specific proxy votes, in light of each issuer's unique structure, management, strategic options and, in certain circumstances, the probable economic and other anticipated consequences of alternate actions.

[70] While it is expected that MAA generally will seek to vote proxies in a uniform manner for all client accounts, the proxy voting committee may determine that the specific circumstances of such account require that the account's proxies be voted differently.

[71] To assist in voting proxies, each respective proxy voting committee has retained ISS, an independent adviser that specializes in providing a variety of fiduciary-level proxy-related services to institutional investment managers, plan sponsors, custodians, consultants, and other institutional investors. In addition to the services described above as provided specifically by ISS, the respective committees may also engage ISS for vote execution and recordkeeping.

[72] As noted above, MAA has adopted proxy voting guidelines, which represent its proxy voting committee's usual voting position on certain recurring proxy issues that are not expected to involve unusual circumstances. These issues include proposals related to:

- The composition of an issuer's Board of Directors;
- The selection of an issuer's auditors;
- Management compensation and employee benefits;
- Requests, principally from management, for approval of amendments that would alter an issuer's capital structure;
- Requests for approval of amendments to an issuer's charter or by-laws;
- Requests regarding the formalities of corporate meetings;
- Proxy issues associated solely with holdings of investment company shares; and
- Limiting corporate conduct in some manner that relates to the shareholder's environmental or social concerns.

[73] MAA's proxy voting committee may elect to vote a particular proxy in a manner contrary to its generally stated guidelines if the committee determines that doing so is, in the committee's judgment, in the best interest of MAA's clients.

[74] A copy of MAA's proxy voting policies and procedures is available upon request. If you would like a copy, or if you have an Account for which you have delegated proxy voting responsibility to MAA and would like information about how MAA voted with respect to securities held in that Account, you should contact your Financial Advisor.

Consults Fees

[75] Consults fees cover the investment advisory services provided by MAA as the investment manager and Style Managers of each Strategy selected by you, and as specified in the Client Agreement, our custodial, transaction, other account-related services and performance measurement reports with respect to your Consults account.

[76] The current Consults fee schedules are set forth below for the Strategy selected by you for each separate Consults account.

DOLLAR VALUE OF ASSETS IN CONSULTS ACCOUNT(S)*	ANNUAL EQUITY/BALANCED/ CONVERTIBLE/REIT/CDP/MFCDP FEE SCHEDULE	ANNUAL MULTI-STRATEGY FIXED INCOME FEE SCHEDULE	ANNUAL FIXED INCOME FEE SCHEDULE
First \$250,000	3.00%	1.50%	1.25%
Next \$250,000	2.50%	1.50%	1.25%
Next \$250,000	2.25%	1.25%	1.00%
Next \$250,000	2.00%	1.25%	1.00%
Next \$1 million	1.75%	1.05%	.80%
Next \$3 million	1.65%	1.05%	.80%
For the following dollar values in each Consults account, the following annual flat fees apply to all assets in the account:			
\$5-10 million	1.40%	1.05%	.80%
\$10-15 million	1.20%	1.02%	.77%
\$15-20 million	1.10%	.98%	.73%
\$20-25 million	1.00%	.95%	.70%
Over \$25 million	Determined by mutual agreement	Determined by mutual agreement	Determined by mutual agreement

* The fee rate that will apply is based on the value of the assets in a Client's single Consults account (referred to as the "Consults Assets"). Aggregation of Consults accounts and other accounts held at Merrill Lynch for purposes of determining the Consults fee rate may be available; such aggregation of Consults accounts and other accounts held at Merrill Lynch shall be subject to Merrill Lynch's sole discretion. Please speak with your Financial Advisor for more information.

[77] The fees paid to Style Managers will be based on the aggregate value of all Consults and other Merrill Lynch investment advisory program client assets in each Strategy of the particular Style Manager. The annual fee for all Strategies other than Multi-Strategy Fixed Income and Fixed Income ranges from 0.15% to 0.40% for Style Managers. Generally all Style Managers with the same investment style will be paid at the same rate, except if the Style Manager is paid less for managing comparable client portfolios in other “wrap fee” programs. In such cases, the manager will be paid at the lower rate. The annual fee for Multi-Strategy Fixed Income Style Managers will generally be the lower of (1) 0.35% or (2) the lowest fee paid to the Style Manager for managing comparable portfolios in other “wrap fee” programs. The annual fee for Fixed Income Style Managers will generally be the lower of (1) 0.25% or (2) the lowest fee paid to the Style Manager for managing comparable portfolios in other “wrap fee” programs. These fees may be modified for particular managers or particular Strategies because of the type of securities involved, the nature of the services provided or other factors. If the Style Manager of your selected Strategy is paid a lower fee than another Style Manager with the same investment style, your Consults fees will not be reduced and we will retain the difference.

[78] The fees for Consults may be negotiable depending on a number of factors. Such factors include, but are not limited to the:

- Amount of your assets;
- Number and size of your related accounts maintained with us and our affiliates;
- Range and extent of services provided or to be provided to you; and
- Financial Advisor assisting you.

[79] Moreover, fees and other account requirements may vary as a result of prior policies and the date the account was opened in Consults.

[80] Other pricing arrangements, typically involving multiple accounts, products or services, may also be available to certain clients. While clients entering into such arrangements may pay higher fees for any particular component being offered, such as fees higher than those shown above for Consults, the pricing arrangement as a whole will generally result either in the same or lower fees in the aggregate for all the accounts, products or services provided or for the inclusion of additional products and services.

[81] From time to time, we may establish a maximum fee rate for certain Strategies. If we agree to any discount to the fee rate applicable to your Consults account, we may at any time reduce the discount.

[82] MLPF&S and MAA may, from time to time, enter into specialized agreements to provide particular or unique services to certain clients, subject to negotiated fees. The fees for certain of the services described in this Brochure may be reduced for our employees or our affiliates or such employees and affiliates may be subject to prior fee schedules. For more information regarding the above programs or any other services MLPF&S or MAA offers, you should contact your Financial Advisor.

CALCULATION OF CONSULTS FEES

[83] Consults fees are payable quarterly in advance based on the market value of your Account on a settlement date basis as of the last business day of the previous calendar quarter, as determined by us or other custodian holding such assets. For the initial quarter, fees are calculated proportionally based upon the number of days left in such quarter from the date of MAA's acceptance of your Account. The initial Consults fee is based on the market value of the Account as of the close of business on the day preceding the acceptance of the Account by MAA.

[84] The securities held in your Account will be valued in our sole discretion using various sources, including quotation services and, for accounts held with an Unrelated Custodian, reports provided by the Unrelated Custodian. If values are unavailable or believed unreliable, values will be determined in good faith so as to reflect estimated fair market value. Values may vary from prices achieved in actual transactions, especially for thinly traded securities, and are not firm bids or offers or guarantees of any type. For fixed-income securities, the values assume no unusual market conditions and are generally for round lots of one million dollars or more, which may produce values that are higher than the prices that would be achieved in the sale of fewer securities or odd lots. As a result, your Consults fees may be calculated based on values for some securities that are greater than the amount that would be received upon sale.

[85] The Account value used for the calculation of fees may differ from that shown on your monthly securities account statement and the performance measurement report due to a variety of factors, including trade date or settlement date accounting, the treatment of accrued income, round lot valuation and other considerations. Further, it should be noted that the valuation of your securities reported in the performance measurement report may also be subject to occasional repricing in reasonable and appropriate circumstances, but such repricing will not affect, or result in the adjustment of, previously calculated Consults fees.

[86] If you change a Strategy during a quarter, the fee calculation will be as follows. With respect to the terminated Strategy, MLPF&S will refund any prepaid fees, prorated from the date of termination through the end of that quarter. With respect to the replacement Strategy, MLPF&S will prorate your initial Consults fee for the same period.

[87] Cash and assets held in money market funds, deposit accounts or other cash options are included in the value of your Account for the calculation of the Consults fee. Cash balances in Accounts with Unrelated Custodians will not be subject to these sweep arrangements, but will also be included in the value of your Account for the calculation of the Consults fee.

DEDUCTION OF CONSULTS FEES

[88] You agree in the Client Agreement as follows:

- Unless otherwise agreed to between you and MLPF&S, the Account fee (and any other fees payable under the Client Agreement) will be deducted directly from your Account;
- MLPF&S is authorized to deduct the Account fee from the assets held in your Account, to the extent permitted by law, if full payment of the Account fee has not been timely received or, if earlier, at the time the Account is terminated;
- The Account fee for your Account will be payable, unless otherwise indicated, first from the liquidation or withdrawal by MLPF&S of your shares of any money market funds or balances in any money market or bank deposit account, as you authorize in the Client Agreement, and second from free credit balances, if any, in your Account, and to the extent that such assets are insufficient to satisfy payment of such fees, you will be billed by MLPF&S;
- You will make timely payment of all amounts due to MLPF&S under the Client Agreement; and
- To the extent permitted by law, all assets in your Account or otherwise held by MLPF&S or its affiliates for you will be subject to a lien for the discharge of your obligation to make timely payment to MLPF&S of the Account fee (and any other fees you pay under the Client Agreement), and MLPF&S may sell assets in your Account to satisfy this lien.

[89] You may be able to pay the Account fees from assets held outside of your Consults Account. You should contact your Financial Advisor for additional information.

Ability to Obtain Consults Services Separately

[90] You may be able to obtain some or all of the types of services available through Consults from Merrill Lynch and its affiliates on a separate or combined basis. Depending upon the circumstances, the aggregate of any separately paid fees may be lower or higher than the applicable Consults fees. You may also be able to obtain some or all of the types of services available through Consults from other firms and Consults fees may be higher or lower than the fees charged by other firms for comparable services, assuming such services are available. It is your responsibility to review the other services or investments available through us and our affiliates with your Financial Advisor to determine whether they may be more appropriate for you than Consults.

[91] In comparing the account types and programs and their relative costs, you should consider various factors, including, but not limited to:

- Your preference for an advisory or brokerage relationship;
- Your preference for a non-discretionary or a discretionary relationship;
- Your preference for a fee-based or commission-based relationship;
- The types of investment products that are available in each program or service;
- Whether a particular investment strategy offered in one program or service is available through another Merrill Lynch program or service;
- How much trading activity you expect to take place in your Account;
- How much of your assets you expect to be allocated to cash;
- The frequency and type of client profiling reports, performance reporting and account reviews that are available in each program or service; and
- The scope of ancillary services that may be available to you in a brokerage account, but which are not available in an advisory program.

Other Fees and Expenses

[92] You are responsible for paying the full amount of the Consults fee, regardless of whether you use all of the services provided under the Client Agreement. The Consults fee includes execution services for all transactions effected in your Account, except:

- Markups or markdowns by executing broker-dealers (including those on fixed-income securities, foreign ordinary securities, ADRs or other over-the-counter transactions in which MLPF&S and its affiliates act as agent) or spreads, underwriting fees or selling concessions for any principal transaction effected by MLPF&S and its affiliates;
- Transfer taxes;
- Margin interest and fees for any securities that are deemed hard to borrow in connection with long/short strategies;
- Fees charged by MLPF&S, our affiliates or unaffiliated third parties in connection with short sale transactions;
- Exchange or similar fees (such as for ADRs) charged by third parties, including issuers, and fees required by the SEC;
- Electronic fund, wire and other account transfer fees;

- Fees and expenses incurred by any Fund purchased for your Account, including commissions and other transaction related charges incurred by a Fund, even if MLPF&S or a Related Company effects these transactions for the Fund;
- Fund redemption fees and contingent deferred sales charges;
- Commission charges for transactions in foreign ordinary securities and dealer spreads or markups in connection with a foreign currency conversion, including in connection with ADRs; and
- Any other charges imposed by law or otherwise agreed to by you and Merrill Lynch with regard to your Account.

[93] Markups or markdowns that are not treated as commissions and that are payable to Unaffiliated Investment Firms (including on fixed-income or over-the-counter transactions in which MLPF&S and its affiliates act as agent) are not covered by Account fees and you, rather than us or the Implementing Manager, will bear the cost.

[94] An implementing manager may, subject to its obligation to the implementation of trades for clients, batch or aggregate some or most of Consults client transactions with other clients of the implementing manager and place the aggregated order through Unaffiliated Investment Firms for execution. Typically, those Unaffiliated Investment Firms fill orders as dealers and the cost of execution is included in the price of the security as a markup/down. The portion of the aggregated order so executed for Consults clients is then cleared and settled through MLPF&S in a practice referred to as a "step in". Clients for which the implementing manager places some or most transactions through Unaffiliated Investment Firms will not receive a discount from, or credit against, the Account fees and the markup/down imposed by the executing Unaffiliated Investment Firm could be deemed to be a duplicative payment for transaction execution services. You should contact your Financial Advisor for more information regarding step-in transactions.

[95] You will pay the public offering price on securities purchased for your Account from an underwriter or dealer involved in a distribution. Please see the section entitled *Funding and Operation of Consults Accounts – Transactions in Consults Accounts* for information about additional compensation we or our affiliates may receive in connection with agency or principal transactions effected for client Accounts. The cost of brokerage commissions for any trades placed by an implementing manager and executed by an Unaffiliated Investment Firm, except for those in foreign ordinary and ADR securities, will be deducted from the Style Manager expense that would otherwise be paid to an implementing manager. However, for some implementing managers, the Style Manager expense will be higher than that for other Style Managers with the same or similar Strategies, and, as a result, you will indirectly bear the cost of trades executed with Unaffiliated Investment Firms. Since you will pay the same Style Manager expense regardless of whether or not an implementing manager trades for your Account through an Unaffiliated Investment Firm, this may create a material conflict of interest, or the appearance of a material conflict of interest, between you and the implementing manager.

FUNDS AND RELATED INVESTING

[96] Your Account may invest in shares of, or interests in, Funds, including Related Funds and Style Manager Related Funds. These Funds generally are used for liquidity purposes or to allow greater diversification than can be achieved by investing directly in individual securities. As a Fund shareholder, you, along with other shareholders of the Fund, will bear a proportionate share of the Fund's expenses, including, as permitted by applicable law, certain management and other fees which may be payable to Merrill Lynch, a Related Company, the Style Manager or their respective

affiliates. The Fund's prospectus or other disclosure document contains a description of its fees and expenses. If your Account invests in a Fund, unless fees and expenses borne by the Fund are credited against the Account fees, you will indirectly pay, through the Fund's net asset value, a proportionate share of the Fund's costs for services that may be similar to, or duplicative of, services rendered as part of Consults and paid for directly through the Account fees.

[97] To the extent that Funds are held in your Account, the fees and expenses incurred by any Fund purchased for your Account may be in addition to certain of the expenses covered by the Account fee. Among other services provided, MLPF&S and its Related Companies may effect transactions for any of these Funds, and any compensation paid to MLPF&S or its Related Companies by the Funds, or their affiliates, is in addition to the Account fee. Due to the additional economic benefit to MLPF&S or its Related Companies when your Account is invested in a Fund, a conflict of interest exists. For more information about other compensation MLPF&S or our Related Companies may receive in connection with Consults and from Style Managers participating in Consults, see the section entitled *Client Referrals and Other Compensation - Other Compensation*.

[98] You can purchase shares of some (but not all) of the Funds included in a Strategy directly from the Funds or their agents, or through us without enrolling in Consults. If you do so, you would not pay Account fees with respect to such assets. However, you might not be eligible to purchase the same share class for each of the Funds available through Consults and the purchase of a different share class may be subject to applicable sales charges.

LONG/SHORT STRATEGIES AND MARGIN

[99] With the exception of Retirement Accounts, certain Portfolios that you select may involve a Margin Strategy. Selecting a Portfolio using a Margin Strategy will incur costs in addition to Account fees, as discussed below. Although you will be paid interest on the short market value of any securities sold short in your Account, MLPF&S will also benefit from these short sale positions. The rate of interest paid to you will be determined by MLPF&S in its sole discretion and will reflect the retention of compensation by MLPF&S. MAA or an implementing manager that sells securities short may use cash generated from short sales to purchase additional securities, i.e., leverage.

[100] If margin is used by MAA or an implementing manager or if adverse market conditions trigger a margin call, you will be charged a margin interest rate (in addition to the Account fees), which will be at least as favorable as the lowest rate charged pursuant to the Merrill Lynch Margin Lending Program Client Agreement. In addition, you will be charged fees (in addition to the Account fees) for any securities that are deemed by MLPF&S to be "hard to borrow", either at the time MAA or the implementing manager sells such securities short or at any time before the short position is "closed out" by MAA or the implementing manager.

[101] A Margin Strategy also may create risks in addition to those of other Portfolios that do not involve a Margin Strategy. Some of the risks of a Margin Strategy that you should consider include:

- Increased potential losses, because short sales theoretically can create limitless losses;
- In using margin, MAA or the implementing manager may leverage the Account, thereby increasing the possible magnitude of potential losses;

- MAA or the implementing manager will borrow money or securities on your behalf, and any indebtedness created will be secured by all of your Account and by any other assets you hold at MLPF&S;
- If additional collateral is required to satisfy a margin call, the call will be met from assets in your Account and MAA may liquidate assets held in your Account without contacting you;
- You are not entitled to choose which securities or other assets in the Account are to be liquidated or sold to meet margin calls;
- MLPF&S can increase its "house" maintenance margin requirements at any time and is not required to provide you with advance written notice; and
- In the event that a margin call cannot be fully satisfied from the liquidation of assets in your Account, you will remain liable for the outstanding debt. To satisfy this obligation, and, as permitted by law, we may liquidate assets held in other MLPF&S accounts you own.

[102] Costs, risks and other features and conditions of margin and short sales are more fully described in the Merrill Lynch Margin Lending Program Client Agreement you execute. You should read this document carefully.

INVESTMENT OF CASH BALANCES

[103] If cash balances are invested in money market funds, assets held in these money market funds are subject to the funds' management, distribution, transfer agent, and other expenses. If cash balances are invested in Related Money Market Funds, certain of these fees and expenses are payable to MLPF&S or its affiliates, which act in a variety of capacities. Fees and expenses are described in the applicable money market funds' prospectuses and are paid by the money market funds but are ultimately borne proportionately by each investor. These fees and expenses are in addition to, and will not reduce, the Consults fees, except as required by law.

[104] If cash balances are deposited in a bank deposit account pursuant to the Merrill Lynch Bank Deposit Program, Insured Savings Account Program or Retirement Assets Savings Program, the participating depository institution will benefit from its use of the deposits, and MLPF&S and its affiliates will receive compensation from the participating depository institution, including any Merrill Lynch Bank. This compensation will be in addition to, and will not reduce, Account fees described above. The terms of the Merrill Lynch Bank Deposit Program, Insured Savings Account Program and Retirement Assets Savings Program or any other bank deposit program, as applicable, are described in the disclosures that you received in connection with the underlying MLPF&S securities account for your Account, and are also available from your Financial Advisor.

[105] Due to the additional economic benefit that we or a Related Company receive from cash investments, a conflict of interest exists between Merrill Lynch and you. However, at times, the relevant Style Manager (including, where applicable, Merrill Lynch or a Related Style Manager) may believe that it is in your interest to maintain assets in cash, particularly for defensive purposes in volatile markets. Merrill Lynch or a Style Manager will not be precluded by any of these conflicts from exercising our judgment in your best interest.

COMPENSATION FOR RECOMMENDING THE WRAP FEE PROGRAM

[106] MLPF&S, MAA, Related Companies and their respective affiliates and employees, including the Financial Advisor, and the Style Manager and its affiliates, may have certain conflicts of interest with respect to our respec-

tive activities in Consults, and the equities, fixed-income securities, Funds and other securities and investment products made available to you through Consults.

[107] MLPF&S, MAA, Related Companies and their respective affiliates and employees benefit from the fees and charges paid by you and other clients for the services described in this Brochure. Such clients may also use other products or services available from or through MLPF&S, MAA and our respective affiliates and, in such case, pay additional compensation. As a result, Financial Advisors offering these services and providing ongoing assistance to such clients generally receive compensation from MLPF&S. As stated previously, you are not obligated to implement any of the advice, suggestions or recommendations provided through Consults.

[108] Financial Advisors who introduce clients to Consults and provide ongoing services to Consults clients receive compensation from MLPF&S. The amount of this compensation is based upon, and will vary depending on, each client's Consults fee. As a result, a Financial Advisor will receive a greater amount of compensation in respect of clients who select a Strategy subject to a higher fee. For example, based on the standard fee schedules detailed in the section entitled Consults Fees above, a Financial Advisor will receive a higher level of compensation in respect of an Equity or Balanced account than a Multi-Strategy Fixed Income or Fixed Income account, and a higher level of compensation in respect of a Multi-Strategy Fixed Income account than a Fixed Income account. In addition, the amount of compensation a Financial Advisor may receive in respect of your enrollment in Consults may, depending on the circumstances, be greater (or less) than the compensation that might be paid to the Financial Advisor if you had instead participated in other programs offered by MLPF&S, MAA and their respective affiliates offer or had purchased the services provided through Consults separately. Any such differential in compensation may (or may not) create a financial incentive on the part of a Financial Advisor to assist you in their selection of one Strategy over another in Consults over other programs or services offered by MLPF&S, MAA and their respective affiliates.

[109] In addition to providing advisory services to Consults accounts, Financial Advisors also may service other advisory or brokerage accounts for clients who do not participate in Consults and may offer and provide other services to clients who, in addition to participating in Consults, have other relationships or dealings with MLPF&S, MAA or their respective affiliates.

[110] Further, separate and apart from Consults, Financial Advisors may assist clients with their brokerage accounts and recommend the purchase or sale of securities, including stocks, bonds, mutual funds and other investments, as well as other products and services available through MLPF&S and its affiliates. In such cases, MLPF&S, MAA or their respective affiliates and these Financial Advisors will receive the compensation that is usually associated with or generated by such products, services and transactions. This compensation may include commissions, markups or markdowns, asset-based or subscription fees, mutual fund sales loads, Rule 12b-1 fees or other remuneration as may be described in the applicable confirmations, prospectuses, subscription agreements or other offering documents. You should, of course, review all this material carefully in determining whether to proceed with any such investments. Such compensation will be in addition to the fees charged for Consults. You are encouraged to speak with your Financial Advisors at any time about any of these matters.

Account Requirements and Types of Clients

Client Eligibility

[111] Investors eligible to participate in Consults include, but are not limited to, individuals, trust and estates (to the extent allowed by state law), charitable organizations, banks, Retirement Accounts, corporations, or such other participants as we determine in our discretion and in accordance with applicable law.

[112] As indicated in the Profile for each Portfolio or Strategy, not all types of investors are eligible for each Portfolio or Strategy.

Account Requirements

[113] The minimum initial investment in Consults varies depending on the Portfolio or Strategy you select. The minimum initial investment for a particular Portfolio or Strategy is generally included in the applicable Profile.

[114] To be covered under a single Client Agreement, all Accounts must be owned by the same person, whether individually or with another person. You may be required to sign more than one Client Agreement depending on the type of securities account that you intend to include in Consults. The effective date of the Client Agreement for your Account will be the later of the date of its acceptance by MLPF&S or the date on which you have contributed the required minimum level of assets to the Account for the Portfolio you select.

Closing an Account and/or Terminating the Client Agreement

[115] The Client Agreement may be terminated by you or MLPF&S, at any time, upon written notice to the other party. MAA, as your investment manager, can also terminate its management of your Account by giving you notice. Termination is effective upon receipt of notice by the other party. Upon termination, MLPF&S will refund any prepaid Consults fees, prorated from the date of termination through the end of the quarter for which fees were prepaid. Termination of an Account will not affect the management of any other Accounts you may have that you are not also terminating. Upon termination of the Client Agreement or your Account, you (or the legal representative of your estate) will have the sole responsibility for the investment of assets in your Account.

[116] Your disability or incompetency will not automatically terminate or change the terms of the Client Agreement. However, your properly appointed guardian, attorney-in-fact or other authorized representative may terminate the Client Agreement, effective upon our receipt of written notice.

[117] The termination of your Financial Advisor's employment with MLPF&S will not automatically terminate the Client Agreement. In the event that your Financial Advisor is no longer able to service your Account, MLPF&S may transfer your Account to a different Financial Advisor and you will be notified of any such changes.

[118] Generally, upon specific instruction from you at the time of termination, some or all of the securities in your Account will be liquidated, usually by the close of the next business day. For Strategies that invest in convertible securities, however, liquidation typically will require several business days. In addition, for some Strategies, certain securities held in your Account, such as shares of mutual funds that can only be held by participants in “wrap fee” programs and “when-issued” mortgage-backed securities, will be automatically redeemed and/or liquidated upon termination. For certain Strategies that employ short sale transactions, any outstanding short positions will be “closed out” upon termination.

Portfolio Manager Selection and Evaluation

Portfolio Construction, Screening and Selection of Style Managers

[119] We seek to provide clients with access to professional investment advice and to make available a choice of various investment styles and corresponding risk levels. As a general matter, we identify the need for a particular investment management style in Consults through client demand, volume considerations, or the need to replace an existing Style Manager.

[120] Once a need for a Style Manager is identified, the Investment Management & Guidance group (“IMG”) uses a multi-factor process for identifying and selecting Style Managers, incorporating quantitative, qualitative, objective and subjective components. Factors for evaluation include, but are not limited to:

- Organizational structure and growth;
- Adherence to investment style;
- Evaluation of risk and volatility;
- Investment professional and strategy resources;
- Investment philosophy and process;
- Portfolio construction; and
- Performance.

[121] Each such factor may have a different weight in the decision-making process and generally no factor alone determines the outcome of any selection.

[122] The evaluation process consists of gathering information on the candidates from published materials, requests for proposal, investment manager products and services databases, and through direct contact with the candidate firms. IMG meets with and interviews candidate firms to assess their potential capabilities as participants in Consults. During the interviews, IMG covers numerous topics, including, as applicable, the Style Manager’s composite performance and background. Using the information collected, IMG reviews candidate firms based on the factors above. Following IMG reviews, we may supplement the IMG review by, among other things, contacting current and past clients and others familiar with the candidate firm, assessing the candidates operating capabilities were they to become participants in Consults, including the candidate firm’s administrative procedures and capacity to service clients, and considering their willingness to participate in Consults under the terms of Consults.

[123] As appropriate, we may offer the candidate firm the opportunity to participate in Consults. Once included in Consults, a Style Manager’s Strategy would then be available for selection for a client’s Account, either on an individual basis and/or as part of a Portfolio, as determined by us.

[124] Please note that although we review a candidate’s past performance, we do not audit this data to verify either its accuracy or that each investment adviser has calculated past performance in a manner that is consistent with industry standards or the methodology used by other investment advisers. Further, we may make available for selection Style Managers that have no prior performance in particular styles. In such cases, we screen these candidates for all other applicable criteria described above and may evaluate past performance achieved in other styles as a consideration for inclusion in Consults.

Review of Style Managers Participating in Consults

[125] IMG monitors and periodically re-evaluates Style Managers available in Consults. In doing so, IMG will review:

- The initial due diligence review and the factors that led to the Strategy being approved for Consults;
- Any material changes that they become aware of that may have occurred at the Style Manager;
- Whether the Style Manager continues to manage the Strategy consistent with its description of the Strategy, which is generally described in the applicable Profile, if any; and
- Performance of the Style Manager.

[126] Similar to the initial review, each factor may have a different weight in the decision-making process and generally no factor alone determines the outcome of any selection. At times, the style of management may vary or drift from that described, for example, due to the unavailability of investments consistent with that style or market movements affecting capitalization. We may allow a Style Manager’s or investment style to drift without removing the strategy or style from the platform if we determine that the changes to the style are reasonable.

[127] Periodic reviews may be accomplished through various means, including, but not limited to, in-person visits, telephone conference calls, reviews of performance, and updates of certain Style Manager documents and information.

[128] We may also conduct periodic analysis of each Style Manager’s composite performance to determine whether that performance generally appears to be consistent with that of Consults Accounts. Merrill Lynch, including MAA, does not perform audits of Style Managers to verify past performance information that the Style Managers provide to us.

[129] If, as a result of its reviews, we identify actual or potential material concerns relative to any aspect of the evaluation framework regarding a Style Manager, we may choose to not accept any new Accounts in the particular Strategy. In the case of severe concerns, we may terminate the Style Manager from Consults. In that case, we will notify clients prior to termination and suggest a suitable replacement. You may accept the suggested replacement, choose another Strategy, or terminate the Account or Client Agreement.

[130] Our review of Style Managers does not substitute for your continued review of your Account and the performance of your investments. Please see the section entitled *Important Client Responsibilities and Acknowledgments* for additional information.

PROFILES

[131] You will generally be provided with a Profile for each Strategy made available to you through Consults. You should carefully read the Profiles provided to you and understand the relevant objectives, styles and risks. While the Profile provides general information regarding the relevant Strategy, any past performance shown on the Profile is not indicative of future results and the performance of that portion of your assets invested pursuant to a particular Strategy may differ from the information presented in the Profile.

[132] Once a Style Manager's Strategy has been approved for inclusion in Consults, a Profile is prepared for that Strategy, which includes information about the Style Manager, the Style Manager's investment style and certain performance results. Each Profile is prepared based on certain information provided by the Style Manager, and each Style Manager is responsible for notifying us of any material event or occurrence which would require the Profile to be revised or that would render the Profile inaccurate or incomplete.

[133] Each Style Manager is required, upon our request, to review the Profile before it is made available to you and to confirm to us following each such review that all of the information reviewed continues to be accurate and complete. It is the obligation of each Style Manager to establish and maintain each Strategy in the manner generally described in the then-current Profile, subject to reasonable restrictions from you or other appropriate factors. In the case of Style Managers that are not discretionary managers, this means that they must timely provide MAA with notice as to whether any changes have been made to the Strategy and the proper application of a buy, sell or hold decision with respect to each such change. MAA will implement the recommendations for that Strategy on a timely basis, subject to reasonable restrictions you impose or other factors. It is similarly the obligation of each discretionary manager to manage each client's Account in the manner generally described in the then-current Profile, subject to reasonable client-imposed restrictions or other appropriate factors.

[134] Profiles generally are prepared with information provided by the Style Managers, who are responsible for the accuracy and completeness of the information they provide, as well as information obtained from other sources believed to be reliable. We believe that we take reasonable steps to verify the accuracy of this information including, as considered appropriate, reviewing representative account statements or obtaining third-party performance measurement reports. Nonetheless, we cannot guarantee the accuracy or consistency of this information. Furthermore, the methodology used by each Style Manager to select and aggregate accounts for performance reporting purposes (i.e., the development of the Portfolio or Strategy composite), as well as the calculation of performance results provided by each Style Manager for its composite, may not have been created or calculated on a uniform or consistent basis from investment adviser to investment adviser.

[135] No claim is made that the performance information contained in the Profiles has been calculated according to any industry standards, including the Global Investment Performance Standards (GIPS) or Performance Presentation Standards established by the CFA Institute. Performance information relating to non-Consults accounts may also include data pertaining to types of accounts such as mutual funds and tax-exempt or institutional accounts, that are different from Consults accounts, and may

include model results or results of portions of multiple style accounts (such as the equity results of a balanced, equity/fixed income style), which are generally described as hypothetical performance.

[136] The performance information included in a Profile is accompanied by important disclosures about the types of accounts included as well as other relevant topics. You should carefully consider all of this information when deciding whether to select the particular Strategy. Profiles are updated at least annually and are typically updated quarterly to include performance information as of the most recent quarter-end. You are encouraged to ask your Financial Advisors for the most current Profiles of your selected Strategy.

[137] The performance information included in a Profile is based on the Style Manager implementing its investment decisions directly. For Portfolios or Strategies not managed by a discretionary manager, the investment decisions will generally be implemented by MAA based on investment recommendations from Style Managers through model portfolios. MAA is an investment adviser with experienced investment personnel, but has limited operating history. MAA's implementation of investment advice from Style Managers could result in performance that is materially different from the results that the Style Manager would achieve if it managed your Account directly. Account performance also may differ from the prior results for a variety of other reasons, including:

- Differences in the types, availability and diversity of securities that can be purchased;
- Regulatory restrictions on the purchase of certain securities;
- Economies of scale and other factors applicable to investment in large accounts; and
- Gains or losses caused by currency transactions.

[138] Accordingly, MAA cannot assure that the performance of actual Accounts will be similar to the Style Manager's past performance. However, after considering, among other factors, information and representations provided by the Style Manager, MAA believes that the Style Manager's past performance is reasonably representative of the investment style as it will be implemented in Consults by MAA and is sufficiently relevant for consideration by a potential or existing Consults client.

Related Person Portfolio Managers – Selection and Review

[139] MLPF&S may make available Related Style Managers (whose strategies may include Related Funds) subject to the same review process as described above. MLPF&S will, therefore, make such Related Style Managers and Related Funds available to you as it deems appropriate and subject to any applicable legal restrictions.

[140] MAA and Style Managers may purchase certain Related Funds. The Related Funds include those funds that are advised by Merrill Lynch's affiliates, including but not limited to BofA™ Global Capital Management, LLC. We potentially benefit from our economic interest in Related Companies and our relationship with Bank of America whenever such entities or their affiliates receive compensation for providing investment advisory, administrative, transfer agency, distribution or other services to their Related Funds or other investment products. The extent of this benefit may be greater than when we or our affiliates do not have an economic interest in the firm providing such services. As a result, we may benefit from increased sales of Funds and other investment products of Related

Companies and Bank of America affiliates for you to a greater extent than from increased sales of funds or investment products sponsored by other firms in which we and our affiliates do not have a similar economic interest or relationship.

[141] Merrill Lynch's parent, Bank of America, has a financial interest in certain other investment advisers, such as BlackRock. Although BlackRock is not deemed a "Related Company" or affiliate of Merrill Lynch or Bank of America, Merrill Lynch may have a conflict of interest when considering whether to recommend that clients purchase or sell shares of BlackRock Funds, BlackRock Style Managers, or other BlackRock products and may benefit from increased sales of such Funds/Style Managers/products to a greater extent than from increased sales of Funds/products sponsored by other firms.

[142] Consistent with applicable laws, management and employees of BlackRock and Bank of America affiliates may be provided a broader level of access and exposure to Merrill Lynch, our management, Financial Advisors and other personnel, marketing events and materials, and client-related and other information. Such access and exposure is not available to other asset managers and may enhance the ability of BlackRock and Bank of America affiliates to distribute their funds and other investment products through us.

[143] The use of Related Style Managers and Related Funds in your Account will result in more overall compensation to us and our affiliates than if third-party managers and funds were used. MLPF&S and MAA address these conflicts by disclosing them in this Brochure, as well as by requiring Related Style Managers and Related Funds to meet the same quantitative and qualitative criteria for inclusion in Consults that unrelated Style Managers and unrelated Funds must meet. Please also see the section entitled *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Retirement Accounts* for information regarding the offering of Related Style Managers or Related Funds with respect to Retirement Accounts.

Client Information Provided to Portfolio Managers

[144] As part of the enrollment process into Consults, you are asked to complete a Questionnaire that elicits information about your financial circumstances, investment objectives, risk tolerance and other relevant information relating to your Account. The information in the Questionnaire is provided to MAA, but is not provided to Style Managers or to Funds.

[145] Your risk category is designed to assist you in selecting a Strategy, and you may select a Strategy or blend of Strategies whose risk category, as indicated on the Profile(s), is the same as or different from that of yours.

[146] We rely on information you provide in managing your Account, and it is your responsibility to promptly notify your Financial Advisor of any updates to such information. The answers to any questions, including those relating to investment returns, do not constitute a promise or guarantee. If you have an investment policy statement or other investment guidelines, it is your responsibility to ensure that the investment policy statement or guidelines are properly reflected in your responses to the Questionnaire, including any client-imposed restrictions. MLPF&S and MAA do not have any responsibility to review, monitor or adhere to any investment policy statement, investment guidelines or similar document relating to your Account and adherence to such investment policy statement, guidelines

or similar document is solely your responsibility. It is your responsibility to promptly notify your Financial Advisor of any material changes to the information you furnish to MLPF&S and MAA since failure to do so could affect the suitability of the services being provided. Clients are notified periodically to emphasize the need for them to report such information. MLPF&S and MAA will not be required to verify the accuracy of any such information. When MLPF&S receives from you any material changes to the information you furnish, MLPF&S will provide this information to MAA and, in certain instances, to discretionary managers.

Client Contact with Portfolio Managers

[147] We encourage you to contact your Financial Advisor with questions concerning Consults, your Account, or your selected Strategies.

[148] MAA agrees to make reasonably available one or more of its advisory or investment personnel for a joint consultation with you and your Financial Advisor regarding a Strategy, if you request. Upon request, discretionary managers periodically will make reasonably available one or more of its advisory or investment personnel for consultation with MAA, with Financial Advisors or with you for a joint consultation with your Financial Advisors, regarding a Strategy, the composition and performance of a Portfolio, and the factors underlying the selection of the securities included in a Portfolio. You should contact your Financial Advisor to arrange a consultation with a discretionary manager and MAA.

Additional Information

Disciplinary Information

[149] In the past, we have entered into certain settlements with our regulators and other third parties and have been the subject to adverse legal and disciplinary events. Below are summaries of certain events that may be material to your decision of whether to retain us for your investment advisory needs. Please note that certain disclosures discuss disciplinary events associated with Banc of America Investment Services, Inc. ("BAI") and Banc of America Securities LLC ("BAS"). BAI merged with Merrill Lynch on October 23, 2009, and BAS merged with Merrill Lynch on November 1, 2010. For purposes of the disclosures on disciplinary information set forth in this section, "Merrill Lynch" shall refer to MLPF&S. In addition to the descriptions below, you can find additional information regarding these settlements in Part 1 of Merrill Lynch's Form ADV at www.adviserinfo.sec.gov.

[150] On June 21, 2012, Merrill Lynch, without admitting or denying the findings, entered into an AWC with FINRA related to the following five issues: (1) Merrill Lynch failed to have an adequate supervisory system to ensure that clients in certain investment advisory programs were billed in accordance with applicable contract and disclosure statements, and, as a result, overcharged certain client accounts unwarranted fees from April 2003 to December 2011; the client accounts impacted were less than 5% of Merrill Lynch's total advisory accounts, and the fees overcharged represented less than one-half of 1% (\$32,174,369) of the total advisory fees billed during that period; All impacted clients have been reimbursed; (2) between July 2006 and November 2010, Merrill Lynch failed to send contemporaneous and/or periodic trade confirmations to certain client

accounts for ten investment advisory programs; (3) between 1992 and June 2011, Merrill Lynch did not include or accurately state whether Merrill Lynch acted as an agent or a principal on trade confirmations and account statements relating to certain mutual fund transactions; (4) between 2007 and 2010, Merrill Lynch, either directly or through third-party vendors, failed to deliver proxy materials to certain clients or to their designated investment advisers, and to have an adequate supervisory system to detect its failure to deliver proxies; the clients impacted constituted less than 1% of Merrill Lynch's clients during that period; and (5) between October 2001 and June 2010, Merrill Lynch failed to send margin risk disclosure statements and/or business continuity plans to certain clients upon the opening of their accounts; the clients impacted constituted less than 1% of Merrill Lynch's clients during that period. In determining the appropriate sanctions, FINRA considered Merrill Lynch's internal review through which it identified the violations, the remedial measures that Merrill Lynch took to correct its systems and procedures, and Merrill Lynch's efforts to provide remediation to affected clients. Merrill Lynch consented to the imposition of a censure and a fine of \$2.8 million.

[151] On October 4, 2011, Merrill Lynch entered into a consent agreement with FINRA regarding the following events. FINRA alleged that Merrill Lynch failed to have a supervisory system to ensure that all accounts in which an employee either had a financial interest or over which the employee had control were monitored and reviewed for potential misconduct. In addition, FINRA found that Merrill Lynch failed to establish, maintain and enforce written procedures to adequately supervise a registered representative who was subsequently found to have used a business account at the firm to implement a fraudulent scheme. Without admitting or denying the findings, Merrill Lynch consented to the entry of findings, a censure, and a fine of \$1,000,000.

[152] On June 6, 2009, the United States District Court for the Southern District of New York entered a judgment enjoining BAI and BAS from violating, directly or indirectly, Section 15(c) of the Exchange Act. The SEC had filed a complaint alleging that BAI and BAS misled customers regarding the fundamental nature and increasing risks associated with auction rate securities ("ARS") underwritten, marketed and sold by BAS and BAI and that by engaging in such conduct, BAI and BAS had violated Section 15(c) of the Exchange Act. Without admitting or denying the allegations, BAI and BAS entered into a consent, whereby they agreed to a series of undertakings designed to provide relief to "individual investors" (as defined in the consent) including: (1) through their affiliate, offering to purchase at par from individual investors certain ARS; (2) agreeing to use reasonable efforts to identify individual investors who sold certain ARS below par, and to pay such investors the difference between par and the price at which they sold the securities; (3) agreeing to participate in a special arbitration process for the purpose of arbitrating any individual investor's consequential damage claim related to its investment in ARS; (4) agreeing to refund certain refinancing securities through the firms; and (5) undertaking to make their best efforts to work with issuers and other interested parties to seek to provide liquidity solutions for institutional investors that are not considered "individual investors." On January 10, 2012, Merrill Lynch (as successor by merger to Banc of America Securities LLC and Banc of America Investment Services, Inc., the "Respondents") agreed to a settlement with the Illinois Securities Department (the "Department") with respect to the marketing and sale of ARS. The Department alleged the Respondents had inappropriately marketed and sold ARS without adequately informing certain of their customers of the increased risks of illiquidity associated with ARS. The Department alleged that, through this conduct, the Respondents engaged in dishonest and unethical practices in the offer and sale of securities and failed to supervise their agents.

The Respondents agreed, among other things, to repurchase at par certain illiquid ARS held by certain clients of Merrill Lynch. Additionally, the Respondents agreed to pay a total fine of \$1,578,320.87 to the State of Illinois representing Illinois's portion of a total civil penalty of \$50,000,000 that is being distributed among the states and U.S. territories that enter into similar administrative or civil consent orders related to ARS. The Illinois agreement is substantially similar to agreements with other NASAA jurisdictions which the Respondents have entered into on the above matter and which the Respondents anticipate entering into in the future to complete distribution of the \$50,000,000 penalty.

[153] On March 11, 2009, the SEC issued an order against Merrill Lynch alleging that from 2002 to 2004, several Merrill Lynch retail brokers permitted day traders to hear confidential information regarding Merrill Lynch institutional customers' unexecuted orders as they were transmitted over Merrill Lynch's squawk box system. According to the SEC, Merrill Lynch lacked written policies or procedures to limit access to the equity squawk box, to track which employees had access to the equity squawk box or to monitor employees' use of the equity squawk box in violation of Section 15(f) of the Exchange Act and Section 204A of the Advisers Act. Without admitting or denying the SEC's findings, Merrill Lynch consented to the entry of the order that: (1) found violations of Section 15(f) of the Exchange Act and Section 204A of the Advisers Act for allegedly failing to maintain written policies and procedures reasonably designed to prevent the misuse of customer order information; (2) required that Merrill Lynch cease and desist from committing or causing any future violations of the provisions charged; (3) censured Merrill Lynch; (4) imposed a \$7,000,000 civil money penalty; and (5) required Merrill Lynch to comply with certain undertakings regarding the enhancement of certain policies and procedures.

[154] On January 30, 2009, the SEC issued an order against Merrill Lynch regarding the Merrill Lynch Consulting Services program and the offering of those services through a Florida branch office for a period of several years concluding in 2005. The Order found that material misrepresentations had been made and certain conflicts of interest not disclosed, and that Merrill Lynch had not maintained adequate records or reasonably supervised certain Florida investment advisory representatives. Without admitting or denying the non-jurisdictional findings thereof, Merrill Lynch consented to a censure, to cease and desist from violations of sections 204 and 206(2) of the Advisers Act and Rule 204-2(a) (14) thereunder, and a fine of \$1,000,000. In accepting the settlement, the SEC noted the voluntary and significant remedial acts promptly undertaken by Merrill Lynch.

[155] On May 1, 2008, the SEC issued an administrative order in which it found that BAI had willfully violated Sections 17(a)(2) and 17(a)(3) of the Securities Act, Sections 206(2), 206(4) and 207 of the Advisers Act and Advisers Act Rule 206(4)-1(a)(5) for failing to disclose to clients that in selecting investments for discretionary mutual fund wrap fee accounts, it favored two mutual funds affiliated with BAI. In the Order the SEC also found that Columbia Management Advisors, LLC ("Columbia Management"), as successor in interest to Banc of America Capital Management, LLC willfully aided and abetted and caused BAI's violations of Sections 206(2) and 206(4) of the Advisers Act, and Advisers Act Rule 206(4)-1(a)(5). In the order, BAI and Columbia Management were censured and ordered to cease and desist from committing or causing such violations and future violations. In addition, BAI was ordered to pay disgorgement plus prejudgment interest in the aggregate amount of \$793,773.00 to certain entities specified in the Order, and a civil monetary penalty of \$2,000,000; and Columbia Management was ordered to pay disgorgement plus prejudgment interest in the aggregate amount of \$516,382 to certain entities

specified in the Order, and a civil monetary penalty of \$1,000,000. BAI and Columbia Management consented to the Order without admitting or denying the SEC's findings. BAI also agreed to certain undertakings contained within the Order.

[156] On February 14, 2008, Merrill Lynch consented to an AWC issued by FINRA. FINRA alleged that from at least January 2001 until January 2006, as a result of certain operational and supervisory deficiencies Merrill Lynch failed to timely and consistently update the firm's record system relating to certain investment advisory and fee-based accounts. When clients change investment advisers or terminated enrollment in certain investment advisory or fee-based accounts, Merrill Lynch failed to consistently make changes in account proxy delivery addresses and/or remove traits that suppressed trade confirmation delivery in the firm's record systems. Additionally, Merrill Lynch failed to maintain written supervisory procedures and a reasonable system of follow-up and review with respect to such operational changes. Without admitting or denying the findings, Merrill Lynch consented to a censure and a fine of \$175,000.

[157] On March 4, 2005, Merrill Lynch entered into a consent order with the State of New Jersey Office of the Attorney General Department of Law and Public Safety and the New Jersey Bureau of Securities ("Attorney General"). The Attorney General alleged: (1) market timing conduct by three Merrill Lynch Financial Advisers engaged in market timing on behalf of their principal client, a hedge fund and that despite warnings from supervisors that they were violating Merrill Lynch's policies, the financial advisers continued to market time for the client until they were fired in October 2003, using among other things, multiple accounts and undisclosed agreements to conduct and disguise their trading; (2) that Merrill Lynch failed to adequately supervise certain activities in connection with the conduct described above including failure to keep adequate books and records in violation of the Exchange Act and New Jersey law; (3) the client entered into variable annuity contracts and certain other variable life insurance contracts with certain non-proprietary insurance carriers through the Financial Advisors to engage in short term trading in the investment sub-accounts of these products and although the client's reallocation instructions were relayed through the Financial Advisors to the insurance companies, Merrill Lynch gave no specific instruction to the Financial Advisor concerning the reallocation of the underlying sub-accounts of variable products; and (4) that Merrill Lynch failed to adequately enforce its established policy prohibiting market timing. Without admitting or denying the findings in the order, Merrill Lynch agreed to pay a civil monetary penalty of \$10 million and to certain undertakings including implementation of new procedures to maintain, as a required book and record under New Jersey and federal securities laws, records of all client reallocation requests made through a Merrill Lynch employee that involve mutual funds held as sub-accounts of variable annuity products of outside insurance carriers.

[158] On February 9, 2005, pursuant to an offer of settlement by BAS in which it neither admitted nor denied the findings, the SEC issued an administrative order. The SEC found that from July 2000 through July 2003, BAS, Banc of America Capital Management, LLC ("BACAP") and BACAP Distributors, LLC ("BACAP Distributors") facilitated market timing and late trading by some introducing broker-dealers and a hedge fund at the expense of shareholders of Nations Funds and other mutual fund families, provided account management tools and other assistance, and enabled introducing broker-dealers to conceal their client's market timing activities from mutual funds. In the order, BAS was: (1) censured; (2) ordered to cease and desist from committing or causing any present or future violations of 17(a) of the Securities Act, 10(b), 15(c) and 17(a) of the Exchange Act and Rules 10b-5, 15c1-2, and 17a-4 thereunder and

Rule 22c-1, as adopted under 22(c) of the Investment Company Act, and from causing any present or future violations of 34(b) of the Investment Company Act and 206(1) and 206(2) of the Advisers Act; (3) ordered to pay, jointly and severally with BACAP and BACAP Distributors \$250 million in disgorgement plus a civil monetary penalty of \$125 million. BAS also agreed to comply with certain undertakings including: (1) maintaining a compliance and ethics oversight infrastructure having, among other things, a code of ethics oversight committee, an internal compliance controls committee, a senior level compliance officer for conflicts of interest and a corporate ombudsman; (2) retaining an independent compliance consultant to, among other things, review compliance, supervisory and other policies and procedures and adopt such procedures; (3) undergoing third party compliance review every other year; and (4) retaining an independent distribution consultant.

[159] On April 28, 2003, as part of a joint settlement with the SEC, NYSE and NASD arising from a joint investigation by the SEC, NYSE and NASD into research analysts' conflicts of interest, Merrill Lynch, without admitting or denying the allegations of the complaint filed by the SEC, consented to the entry of a final judgment. Pursuant to the settlement, which was entered on October 31, 2003, Merrill Lynch: (1) permanently enjoined Merrill Lynch from violating Section 15(c) of the Exchange Act and Rule 15c1-2 thereunder, NASD Conduct Rules 2110, 2210 and 3010, and NYSE Rules 342, 401, 472 and 476; (2) was ordered to pay a penalty of \$100,000,000, which was deemed satisfied by prior payments to the states in a related proceeding; (3) was ordered to pay substantial amounts for third party research and investor education; and (4) was ordered to comply with certain additional undertakings.

Other Financial Industry Activities and Affiliations

[160] MLPF&S, a wholly-owned subsidiary of Bank of America, is a leading global investment banking firm and a registered broker-dealer, investment adviser and futures commission merchant. In the United States, Merrill Lynch acts as a broker (i.e., agent) for corporate, institutional and governmental and private clients and as a dealer (i.e., principal) in the purchase and sale of corporate securities, primarily equity and debt securities traded on exchanges or in the over-the-counter markets. Merrill Lynch also acts as a broker and/or a dealer in the purchase and sale of mutual funds, money market instruments, government securities, high-yield bonds, municipal securities, financial futures contracts, and options. The futures business and foreign exchange activities are conducted through Merrill Lynch and other Affiliates. Merrill Lynch operates the firm's U.S. retail branch system, and also provides financing to clients, including margin lending and other extensions of credit as well as a wide variety of financial services, such as securities clearing, retirement services, and custodial services. As a registered adviser, Merrill Lynch completes a Form ADV, which contains additional information about itself, Bank of America and their Affiliates. Information is available through publicly available filings at the SEC or at www.adviserinfo.sec.gov.

[161] For purposes of Form ADV Part 2, MLPF&S management persons include William C. Caccamise (CRD# 2547189), Gloria R. Greco (CRD# 4795234), Joseph M. Nenichka (CRD# 1639260), Thomas K. Montag (CRD# 1474696), Douglas G. Preston (CRD# 2586917), Jennifer M. Hill (CRD#2434363), Michael B. Radest (CRD# 1687387), and John M. Hogarty (CRD#2876432). For purposes of Form ADV Part 2, MAA management persons include Matthew S. Ball, M. Rosalie Buenaventura, John J. Capelli, Christopher Dupuy (CRD # 1749982), Andrew J. Baldauf

(CRD#1554676), and Eugene M. Mulligan (CRD # 1628667). In addition, Aomas J. Latta (CRD# 1696503), John R. Manetta (CRD# 2163095), James G. Russell (CRD# 1053157), Lisa Shalett (CRD# 2895449), Anil Suri (CRD# 2540257), Michael J. Walsh (CRD# 2138122), and Christopher J. Wolfe (CRD# 2055127) are also considered management persons of MLPF&S as a result of their membership on the IMG Investment Committee. In the future, additional Merrill Lynch personnel may be considered management persons and, as such, may be registered, or have applications pending to register, as registered representatives and associated persons of Merrill Lynch to the extent necessary or appropriate to perform their job responsibilities.

[162] MAA, a direct wholly-owned subsidiary of Merrill Lynch & Co., Inc. ("ML&Co."), is a registered investment adviser. MAA was established to provide investment advisory services to clients that establish accounts under Consults. ML&Co., a wholly-owned subsidiary of Bank of America, through its subsidiaries and affiliates, provides broker-dealer, investment banking, financing, wealth management, advisory, asset management, insurance, lending and related products and services on a global basis. These products and services include securities brokerage, trading and underwriting; investment banking, strategic advisory services (including mergers and acquisitions) and other corporate finance activities; wealth management products and services including financial, retirement and generational planning; asset management and investment advisory and related record-keeping services; origination, brokerage, dealer and related activities in swaps, options, forwards, exchange-traded futures, other derivatives, commodities and foreign exchange products; securities clearance, settlement financing services and prime brokerage; private equity and other principal investing activities; proprietary trading of securities, derivatives and loans; banking, trust and lending services, including deposit-taking, consumer and commercial lending, including mortgage loans, and related services; insurance and annuities sales and research across the following disciplines: global equity strategy and economics, global fixed income and equity-linked research, global fundamental equity research, and global wealth management strategy. Bank of America is subject to the reporting requirements of the Exchange Act and additional information about Bank of America can be found in publicly available filings with the SEC.

[163] We, through our Financial Advisors, may suggest or recommend that clients, including Consults clients, use our securities account, execution and custody or other services, or such services of an affiliate. Similarly, Financial Advisors, who also handle clients' brokerage accounts, may suggest or recommend that you purchase our products or our affiliates' products. Where you use or purchase Merrill Lynch's or our affiliate's services or products, we and our affiliates will receive fees and compensation. Financial Advisors may, as permitted by applicable law, receive compensation (the amount of which may vary) in connection with these products and services.

[164] The investment adviser(s) for the BofA Funds are Related Companies. Accounts may be invested in Related Funds and Related Style Managers. We may receive compensation with respect to shares of these funds in which an Account may be invested.

[165] We address these conflicts through disclosure in this Brochure. Our Financial Advisors are required to recommend investment advisory programs, investment products and securities that are suitable for each client based upon the client's investment objectives, risk tolerance and financial situation and needs. In addition, we have established a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest – both those arising between and among Accounts as well as between Accounts and our business.

RECEIPT OF COMPENSATION FROM INVESTMENT ADVISERS

[166] Style managers participating in Consults may pay for, or reimburse MLPF&S or its affiliates for, various costs arising from client and prospective client meetings, sales and marketing materials, and educational, training and sales meetings held with Financial Advisors and other of MLPF&S, MAA or their affiliates relating to Consults and asset management generally. These Style Managers may also make charitable donations or cover the costs of reasonable entertainment in connection with events we sponsor or are client-related.

[167] In addition, Consults Style Managers participate in other investment advisory programs offered by firms unaffiliated with us. As noted above in the section entitled Consults Fees, some Style Managers participating in other "wrap fee programs" agree to accept lower advisory fees from us than other Consults managers with the same investment style. In these circumstances, the Consults fee paid by clients selecting Strategies provided by these Style Managers is not reduced, the compensation paid to your Financial Advisor by us remains the same, and our compensation increases. A potential conflict of interest exists when we assist you in your selection of a Strategy provided by a Style Manager that accepts a lower advisory fee or terminates a Strategy provided by a Style Manager and notifies clients of a potential replacement Style Manager that accepts a lower advisory fee.

[168] Style Managers (who were formerly investment managers) will accept lower advisory fees from MAA than they previously received from us as investment managers. As a result, we and our affiliates will be earning a greater portion of the Consults fees you pay.

[169] MLPF&S and MAA address these conflicts through disclosure in this Brochure. Our Financial Advisors are required to recommend investment advisory programs, investment products and securities that are suitable for you based on your investment objectives, risk tolerance and financial situation and needs. In addition, we have established a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest – both those arising between and among Accounts as well as between Accounts and our business.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

CODES OF ETHICS

[170] Each of MLPF&S and MAA has adopted an Investment Adviser Code of Ethics (each, the "Code of Ethics") covering our personnel who are involved in the operation and offering of investment advisory services. Each Code of Ethics is based on the principle that clients' interests come first, and it is intended to assist employees in meeting the high standards that each of MLPF&S and MAA, as applicable, follows in conducting our business with integrity and professionalism. Each Code of Ethics covers such topics as the:

- Requirement that all employees comply with all applicable securities and related laws and regulations,
- Reporting and clearance of employee personal trading,
- Prevention of misuse of material nonpublic information, and
- Obligation to report possible violations of the Code of Ethics to management or other appropriate personnel.

[171] All covered personnel must certify receipt of the Code of Ethics. We will provide a copy of each of the Code of Ethics to you upon request.

[172] MLPF&S and MAA have each imposed policy restrictions on all personnel for transactions for their own accounts and accounts over which they have control or a beneficial interest. In addition, we have special policies requiring that certain personnel obtain specific approval of their securities transactions and have implemented procedures for monitoring these transactions, as well as those of all our employees.

[173] MLPF&S and MAA both acknowledge that they are subject to fiduciary responsibilities under the Advisers Act with respect to the investment advisory services provided pursuant to the Client Agreement.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

PRINCIPAL, AGENCY CROSS AND CROSS TRADES

[174] MLPF&S will not charge a commission on agency transactions in your Account. There may be instances in which MLPF&S or its affiliates may act as principal in effecting an investment transaction for your Account, according to applicable law. If MLPF&S or its affiliate effects a principal transaction for your Account, MLPF&S will not charge a markup or markdown. However, principal transactions may be subject to a spread, underwriting fee or selling concession, which may result in additional compensation or other benefit to MLPF&S or its affiliate. You have authorized transactions for your Account to be effected on a stock exchange by us or an affiliate, as appropriate.

[175] There may be instances in which MLPF&S or an implementing manager and their respective affiliates will have the opportunity to act as agent for both buyer and seller in a transaction for your Account, according to applicable law. This is called an "agency cross." Since MLPF&S or an implementing manager and their respective affiliates generally will receive compensation from each party to an agency cross transaction, there is a potential conflict between the responsibilities and loyalties to you and to the other party to the transaction. Compensation received by MLPF&S or an implementing manager and their respective affiliates from the other party in an agency cross transaction would be in addition to the fees described in this Brochure. Except where prohibited by law, by signing the Client Agreement, you have given us permission to engage in agency cross transactions for your Account. You may revoke your consent at anytime by notifying your Financial Advisor and MAA in writing.

[176] From time to time MLPF&S, MAA, an implementing manager, and their respective affiliates, may cause your Account to engage in a transaction for the purchase or sale of a security with another investment advisory client, subject to applicable law. MLPF&S, MAA or their respective affiliates, or the implementing manager or its affiliate, would do so only when MLPF&S, MAA, an implementing manager or their respective affiliates, determine that the transaction is in the best interest of each party, and neither MLPF&S, MAA, the implementing manager or their respective affiliates, would receive any compensation in connection with the transaction.

FUNDS AND RELATED INVESTING

[177] As described above, MAA and Style Managers may purchase, or recommend the purchase of, as applicable, Funds, including Related Funds and Style Manager Related Funds, for Consults Accounts. The fees and expenses, if any, of these Funds, are in addition to, and generally will not reduce the Consults fee. In addition, MLPF&S, MAA, a Related Company, a Style Manager or their respective affiliates, as applicable, may earn additional compensation for services rendered in connection with such products. For example, MLPF&S, MAA or a Related Company may execute brokerage transactions for a Fund included in a Consults account

(including on a principal basis in accordance with applicable law), or provide shareholder subaccounting services to a Fund, for which it will be paid. More complete information about any of the Funds, including risks, management fees and other charges and expenses, is contained in the Fund's prospectus or other applicable disclosure document. Each of the Related Funds pays investment management fees to its investment adviser and, like unrelated Funds, incurs other expenses. The current annual rates of investment management fees paid by the BofA funds to a Bank of America affiliate range from 0.20% to 0.25% of average daily net assets and are described in each Fund's prospectus.

[178] Due to the additional economic benefit to MLPF&S, MAA, our Related Companies, a Style Manager or their respective affiliates, as applicable, and, potentially, a Financial Advisor, from investments in Funds, a conflict of interest may exist. This conflict may be greater when clients, with the assistance of their Financial Advisors, select a Strategy that is implemented using these products. For Funds advised, sponsored or distributed by MLPF&S, MAA, a Related Company or their respective affiliates, MLPF&S, MAA, a Related Company or their respective affiliates, as applicable, will receive investment management fees and/or Rule 12b-1 fees. For other Funds, MLPF&S, MAA or its affiliate also may receive Rule 12b-1 fees. We or our affiliate may also provide other services to Related Funds, Style Manager Related Funds and other Funds for compensation, such as transfer agency, shareholder servicing, administrative, accounting and printing services. To the extent that the Consults fee is intended to cover certain similar services when provided directly to your Account, clients that select a Strategy that invests in Funds may be deemed to be paying additional fees for the same services.

[179] Subject to applicable law, MLPF&S, MAA, Related Companies, Style Managers or their respective affiliates also may provide services to, or effect transactions with Funds, and receive compensation in connection with these activities, as described more fully in the section below entitled *Other Compensation and Conflict of Interest Considerations*.

[180] Each mutual fund, or its adviser, principal underwriter or other agent, has entered into an agreement with MLPF&S and its affiliates for the performance of subaccounting and related services (including account recordkeeping, transaction processing, reporting and corporate action services) for the mutual fund shares held in a Merrill Lynch securities account. MLPF&S and its affiliates receive subaccounting fees for the performance of these services, which are either borne by the mutual fund (like other mutual fund expenses) or by its adviser, principal underwriter or other agent. Depending on the mutual fund or its adviser's, principal underwriter's or other agent's arrangement with us or our affiliate, MLPF&S or its affiliate will receive from the mutual fund or a fund service provider or its affiliate, subaccounting fees of 0.10% per annum of the amount invested in such mutual fund or \$16 annually per position in the mutual fund. These subaccounting fee rates are subject to change from time to time.

[181] In addition to these fees, we and our affiliates receive fees paid by certain ETF or similar product sponsors or their affiliates for licensing or other arrangements. These fees, which are typically calculated as a percentage of the assets of the ETF or similar product, are not generally borne by the fund, but are instead paid directly from the sponsor or its affiliate to us or our affiliates.

[182] MLPF&S, MAA, a Related Company, a Style Manager or their respective affiliates may receive investment management fees paid by the Funds held in your Account.

[183] Mutual funds purchased in your Account will generally consist only of classes of shares with no contingent deferred sales charges or front-end sales loads (or with such charges waived).

[184] In addition to Funds, MLPF&S, MAA, a Related Company, a Style Manager or their respective affiliates, as applicable, may earn additional compensation for services rendered in connection with other types of investment products purchased for your Account, such as exchange-traded notes.

RETIREMENT ACCOUNTS

[185] If the client's Retirement Account is invested in shares of a Related Fund that is not a Related Money Market Fund, then the client's Retirement Account's pro rata share of the advisory fees paid by such Related Fund to a Merrill Lynch affiliate will be used to offset the Account Fees payable to Merrill Lynch, as required by applicable law. A Retirement Account will also be credited, on a monthly basis, with the Account's pro rata share of any Rule 12b-1 fees (calculated daily) and subaccounting fees paid by a Mutual Fund to Merrill Lynch or its affiliate. If a Retirement Account holds Fund shares, we will credit to the Retirement Account the pro rata share of any Rule 12b-1 fees the Fund pays us on a periodic basis, as required by applicable law. Furthermore, if cash balances in a Retirement Account or its affiliate Account are swept to one or more Related Money Market Funds, then any advisory fees paid by each Related Money Market Fund to its adviser will be credited to the Retirement Account on a periodic basis, as required by applicable law. Please note that ETFs advised or sponsored by Related Companies may be considered Related Funds. Where required by applicable law, we will rebate the operating expenses for such ETFs in certain account types enrolled in Consults.

[186] Retirement Account clients:

- Acknowledge receipt of the prospectus or other required disclosure document for any mutual fund that is a Related Fund or Style Manager Related Fund included in a Strategy selected by you and for any money market fund managed by us or a Related Company ("Related Money Market Fund"),
- Represent that you are independent of and unrelated to us, the Style Manager and our respective affiliates, and
- Approve the investment management and other fees paid by any mutual fund that is a Related Fund or Style Manager Related Fund and Related Money Market Fund held in your Retirement Account in relation to the Consults fees payable pursuant to the Client Agreement.

[187] You may revoke or modify the approval reflected in the prior sentence at any time by notifying your Financial Advisor. Such notice should include instructions regarding the disposition of the proceeds of the sale of shares of mutual funds that are Related Funds or Style Manager Related Funds and Related Money Market Funds then held in the Retirement Account.

ACTING AS GENERAL PARTNER

[188] Certain affiliates of MLPF&S and MAA act as general partners in a variety of limited partnerships as well as in other capacities for investment vehicles such as hedge funds and other investment funds in which brokerage clients of MLPF&S may invest or may be solicited to invest by MLPF&S acting in our broker-dealer capacity. These clients may also be advisory clients of MLPF&S or MAA. The investments of the limited partnerships and other entities may vary but include, without limitation, real estate, futures, hedge funds and other alternative investments.

OTHER FINANCIAL INTERESTS

[189] Accounts are generally not permitted to effect margin transactions, except for the Margin Strategies described above in the section entitled *Long/Short Strategies and Margin*. MLPF&S or its affiliate will receive compensation in connection with any assets purchased in your Account

on our margin or other extensions of credit, which is in addition to, and does not reduce, the Consults fee. Financial Advisors may receive additional compensation in such circumstances as well as in limited cases, from rights or tender offers. Due to the additional economic benefit to us from the Strategies that involve the use of a Margin Strategy, a conflict of interest may exist.

[190] MLPF&S, MAA, a Related Company or their respective affiliates will receive additional economic benefits from cash investments held in your Account. This conflict may be greater when higher cash balances are maintained in your Account. At times, however, the relevant Style Manager (including, where applicable, MLPF&S, MAA or a Related Manager) may believe that it is in your interest to maintain assets in cash, particularly for defensive purposes in volatile markets. MLPF&S, MAA or a Style Manager will not be precluded by any of these conflicts from exercising its judgment in your best interest.

[191] As a registered broker-dealer, we may also benefit from the possession or use of any free credit balances in client accounts, including Consults Accounts, subject to restrictions imposed by Rule 15c3-3 under the Exchange Act.

INVESTMENT IN SECURITIES BY MERRILL LYNCH AND OUR PERSONNEL

[192] MLPF&S, MAA, a Style Manager and their respective affiliates act in a variety of capacities to a wide range of clients. For example, MLPF&S, MAA, the Style Manager or their respective affiliates may have investment banking or other relationships with certain publicly traded companies, which relationships may from time to time compel MLPF&S, MAA, the Style Manager or their respective affiliates to forego trading in the securities of these companies. From time to time in the course of those duties, confidential information may be acquired by MLPF&S, MAA, the Style Manager or their respective affiliates that may prevent MLPF&S, MAA, the Style Manager or their respective affiliates, for a period of time, from purchasing, selling or recommending particular securities for client accounts. MLPF&S, MAA, the Style Manager and their respective affiliates are not permitted to divulge or to act upon this information with respect to their advisory or brokerage activities. Similarly, MLPF&S, MAA or a Style Manager may give advice or take action with regard to certain clients which may differ from that given or taken with regard to other clients.

[193] We and our affiliates act in a variety of capacities to a wide range of clients. From time to time in the course of those duties, confidential information may be acquired that cannot be divulged or acted upon for advisory or other clients. Similarly, MLPF&S or MAA may give advice or take action with regard to certain clients, including you, which may differ from that given or taken with regard to other clients. This includes the advice given or actions taken with respect to certain securities, Funds or Style Managers. In some instances, the actions taken by affiliates with respect to similar services and programs may conflict with the actions taken by MLPF&S or MAA. This is due to, among other things, the differing nature of the affiliate's investment advisory service and differing processes and criteria upon which determinations are made.

[194] Related Managers may provide advisory services with respect to one or more Strategies available for selection by a client. Bank of America, is a direct or indirect substantial stockholder in Related Managers, as indicated in the relevant Profile. If a Strategy provided by a Related Manager is selected, MLPF&S, MAA and/or a Related Company will retain the entire Consults fee. For this reason, a potential conflict of interest exists when MLPF&S, MAA or the Financial Advisor selects or assists you in the selection of, as applicable, a Strategy (or replacement Strategy, if applicable). Please see sections above entitled *Identification of Investment*

Objectives and Client Selection of Strategies; Important Client Responsibilities and Review of Style Managers Participating in Consults for additional information.

[195] MLPL&S or one of its affiliates may have a position in or enter into “proprietary” transactions in securities purchased or sold for clients, including clients participating in Consults. MLPF&S or its affiliates may benefit from such securities positions or transactions.

[196] We address these conflicts through disclosure in this Brochure. Moreover, our Financial Advisors are required to recommend investment advisory programs, investment products and securities that are suitable for each client based upon your investment objectives, risk tolerance and financial situation and needs. In addition, we have established a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest – both those arising between and among Consults Accounts as well as between Consults Accounts and our business. For example, our personnel also are subject to personal trading restrictions as detailed in its policies and procedures and Code of Ethics. These policies and procedures and the Code of Ethics require our Financial Advisors to pre-approve certain securities transactions, disclose their investment accounts, provide an annual holdings report, and provide a quarterly transaction report.

Review of Accounts

ACCOUNT REVIEWS

[197] An important part of the Consults relationship involves providing each client with the opportunity to engage in annual account reviews in which a Financial Advisor reviews the account's progress toward goals. Because these reviews provide clients with important and necessary information relating to their accounts, you are strongly encouraged to take advantage of these opportunities to participate in these annual account reviews with a Financial Advisor.

[198] In addition, on a periodic basis, you are instructed, in writing, to provide us with current information regarding the management of your Account. This would include changes in your financial situation or investment objectives, or if you would like to impose any reasonable restrictions, or reasonably modify any existing restrictions. If the changes provided are material in nature, a review of your Account may be in order.

CLIENT REPORTS

[199] As part of Consults, MLPF&S provides performance measurement reports to help you monitor and assess the performance of your Accounts. These reports contain information regarding investment return, risk and selected benchmark comparisons for your Account. These reports may also contain important information about the Style Manager's participation in Consults. The first report will be sent to you after your Account has been managed for one full quarter.

[200] When we act as custodian, you will receive an account statement in any month in which there is trading or other activity (or in any event quarterly). If you use an Unrelated Custodian, your Unrelated Custodian or trust company will provide periodic custodial or trust statements. MLPF&S and MAA are not responsible for the accuracy of these statements and will rely upon the data and other information presented therein or in other reports provided to MLPF&S and MAA by your Unrelated Custodian to prepare performance measurement reports for you.

TRADE CONFIRMATIONS

[201] As you direct in the Client Agreement or other writing, you may elect not to receive confirmation of transactions for your Account(s) on a trade-by-trade basis, except as required by rule or regulation, and, in lieu thereof, receive a periodic statement that will be furnished to you not less frequently than quarterly and that will contain the same information that would be included in the trade-by-trade confirmation for each transaction. Your initial direction in the Client Agreement regarding receipt of trade-by-trade confirmations will apply to all of your Accounts, including any changes to and additional Strategies you select, until such direction is changed. Your election to receive periodic statements in lieu of trade-by-trade confirmations is entirely optional and:

- Will not affect the calculation of or amount of your Consults fees;
- Is not a condition to entering into or continuing participation in Consults; and
- You may rescind your election at any time by written notice to us with respect to your Account.

[202] MLPF&S will send confirmations for transactions effected in your Account (or information contained therein) to you, the MAA or the implementing manager, as applicable.

[203] You may request, and we will provide to you at no additional cost, an interim update and further details concerning any transaction effected between periodic statements either by calling your Financial Advisor or, where you are enrolled in MyMerrill, by checking your Account on MyMerrill. If you elect to receive periodic statements in lieu of trade-by-trade confirmations, you may later choose to receive, and MLPF&S will provide to you at no additional cost, any confirmations for transactions effected for up to a one-year period preceding your last periodic statement and trade-by-trade confirmations for all subsequent transactions.

Client Referrals and Other Compensation

OTHER COMPENSATION

[204] ML&Co. and its affiliates have business relationships with many investment managers and Style Managers, including those participating in Consults, separate and apart from Consults. For example, these investment managers and Style Managers may direct their clients' transactions to us and receive research, execution, custodial, pricing and other services offered by us in the normal course of our business. We and our Financial Advisors (including those offering Consults) may receive compensation in connection with such transactions and other services. You are encouraged to speak with your Financial Advisor to discuss any questions that you may have about existing or potential conflicts of interest relating to their selected Strategies, including any business relationships that the relevant Style Managers may have with ML&Co., Bank of America, its affiliates or your Financial Advisor.

[205] Fund and Style Managers may pay for, or reimburse Merrill Lynch and its affiliates for, various costs arising from client and prospective client meetings, sales and marketing materials, and educational, training and sales meetings held with Financial Advisors and other personnel of Merrill Lynch and their affiliates relating to the Program and asset management generally. The Funds and Style Managers may also make charitable donations or cover the costs of reasonable entertainment in connection with events sponsored by MLPF&S and its affiliates or related to clients. Certain Funds are Related Funds, as indicated on the respective Profile, and certain Style Managers are Related Managers.

[206] Our Financial Advisors are required to recommend investment advisory programs, investment products and securities that are suitable for each client based upon the client's investment objectives, risk tolerance and financial situation and needs. In addition, we have established a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest – both those arising between and among Accounts as well as between Accounts and our business.

COMPENSATION FOR CLIENT REFERRALS

[207] MLPF&S and MAA have entered or may enter into marketing arrangements with third parties who, for compensation, will provide consulting or other services to MLPF&S and MAA in connection with the marketing of MLPF&S's and MAA's various advisory programs, including Consults, or otherwise refer prospective clients to MLPF&S and MAA. Each such marketing arrangement is or will be governed by a written agreement between MLPF&S or MAA, as applicable, and the third-party, and will be disclosed to clients, as required by law.

[208] We have entered into solicitation arrangements with certain third-party entities to refer prospective clients to us ("Solicitors"). Generally, the fees paid to Solicitors will be paid from investment advisory fees received and retained by us relating to your Account. This fee will generally be a percentage of the investment advisory fee ordinarily credited to your Financial Advisor for your Account. We will pay this fee to the Solicitor from the date you establish an account in the applicable program for as long as your Account remains enrolled in Consults and the agreement between us and the Solicitor is effective. If we terminate the agreement with the Solicitor for certain reasons, we may continue to pay the Solicitor for a period of time after termination. We will not increase the fees you pay as a result of our payments to the Solicitor. The fees we charge will not be higher than our usual fees because of the payments to the Solicitor.

[209] Our employees may refer advisory clients to Bank of America, N.A., including its private bank, U.S. Trust, Bank of America Private Wealth Management, and other affiliates for products and services. Similarly, employees of the Bank of America, N.A. and its affiliates may refer clients to us for brokerage or advisory services. These referrals may involve the payment of referral fees between us and Bank of America, N.A. or its affiliates.

Financial Information

[210] Not applicable.

Glossary

[211] "Account" means each of your securities accounts to which the Client Agreement applies for a single Strategy or Portfolio that you select. To be covered under one single Client Agreement, all securities accounts must be owned by the same person, whether individually or with another person.

[212] "ADR" means American Depositary Receipt, which is a receipt for shares of a foreign company held by a U.S. financial institution that entitles you to rights and obligations of the underlying shares, including dividends and capital gains and losses.

[213] "Advisers Act" means the Investment Advisers Act of 1940, as amended.

[214] "AIPS" means the Merrill Lynch Automated Investment Program.

[215] "AWC" means a letter of acceptance, waiver and consent.

[216] "BAC" or "Bank of America" means Bank of America Corporation.

[217] "BAI" means Banc of America Investment Services, Inc.

[218] "BAS" means Banc of America Securities LLC.

[219] "BlackRock" means BlackRock, Inc. and its affiliates.

[220] "BlackRock Funds" means Funds sponsored, managed and/or distributed by BlackRock and its affiliates.

[221] "BofA Funds" means certain Funds sponsored, managed and/or distributed by BofA™ Global Capital Management Group, LLC.

[222] "Brochure" or "Disclosure Statement" means the wrap program brochure of MLPF&S and MAA relating to Consults, as updated from time to time.

[223] "CDP/MFCDP" means the multi-discipline Strategy known as a Consults Diversified Portfolio or a Multi-Firm Consults Diversified Portfolio.

[224] "CDP Style Manager" means a Style Manager that provides advisory services with respect to a Consults Diversified Portfolio or a Multi-Firm Consults Diversified Portfolio.

[225] "Client Agreement" means the agreement between you and MLPF&S, as it may be amended from time to time.

[226] "Code of Ethics" means the Investment Adviser Codes of Ethics of MLPF&S and MAA.

[227] "Columbia Management" means Columbia Management Advisors, LLC.

[228] "Consent" means a letter of acceptance, waiver and consent.

[229] "Consults" means Merrill Lynch Consults®, an investment advisory program offered by Merrill Lynch.

[230] "Discretionary Manager" means a Style Manager that has full discretion to determine which securities to buy, sell or hold for the client's Account, and which broker-dealer should be selected to effect transactions for the client's Account, subject to any direction to trade with MLPF&S or its affiliates in the Client Agreement.

[231] "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

[232] "ERISA Plan" means a plan subject to the provisions of ERISA or any other entity deemed to hold assets of such a plan.

[233] "ETF" means a Registered Fund that is an exchange-traded fund.

[234] "Exchange Act" means the Securities Exchange Act of 1934, as amended.

[235] "Financial Advisor" means a Merrill Lynch Financial Advisor.

[236] "FINRA" means the Financial Industry Regulatory Authority, Inc.

[237] "Funds" means registered and unregistered investment companies, including mutual funds, closed-end funds, ETFs, hedge funds, real estate investment trusts, and other pooled investment vehicles.

[238] "IMG" means the Investment Management & Guidance group of MLPF&S.

[239] "Implementing Manager" means a Style Manager, including a Discretionary Manager, that has the authority to place orders for the purchase and sale of some or all securities or other property with respect to a Strategy.

- [240] "Investment Company Act" means the Investment Company Act of 1940, as amended.
- [241] "ISS" means Institutional Shareholder Services, Inc., a subsidiary of MSCI, Inc., a proxy voting service.
- [242] "MAA" means Managed Account Advisors LLC.
- [243] "Margin Strategy" refers to certain Strategies in which implementing managers, which may include MAA, may sell securities short and/or employ margin.
- [244] "Merrill Lynch," "us," "we" or "our" means MAA or MLPF&S, or both, depending on the service provided.
- [245] "Merrill Lynch Bank" means a bank depository institution affiliated with Merrill Lynch.
- [246] "ML&Co." means Merrill Lynch & Co., Inc.
- [247] "NASD" means the National Association of Securities Dealers.
- [248] "NextGen Plan" means the NextGen College Investing Plan administered by the Finance Authority of Maine.
- [249] "NYSE" means the New York Stock Exchange LLC.
- [250] "Order" means an order issued by the SEC.
- [251] "Portfolio" means one or more Strategies within a single Account.
- [252] "Profiles" are the Merrill Lynch Profiles established for each Strategy. They are written documents that contain a description of a Strategy or Portfolio offered in Consults and may contain other information relating to the Strategy, Portfolio or Style Manager.
- [253] "Proxy Guidelines" means ISS' or a successor proxy voting service's proxy voting guidelines and related procedures applicable to a Consults Account.
- [254] "Questionnaire" means the Merrill Lynch Consults Questionnaire that elicits information about your financial circumstances, investment objectives, risk tolerance, investment restrictions, and other relevant information relating to your Account.
- [255] "Registered Fund" means any Fund that is registered under the Investment Company Act, including mutual funds, closed-end funds and ETFs.
- [256] "Related Company" means a company that is an affiliate of Merrill Lynch or in which Merrill Lynch or an affiliate of Merrill Lynch has a material ownership interest. BlackRock is not considered a Related Company.
- [257] "Related Fund" means a Fund sponsored, managed or administered by Merrill Lynch or a Related Company.
- [258] "Related Manager" means a Style Manager that is a Related Company.
- [259] "Related Money Market Fund" means a registered money market fund managed by Merrill Lynch or a Related Company.
- [260] "Retirement Account" means an ERISA Plan, a tax-qualified plan of self-employed persons or an individual retirement account.
- [261] "Rule 12b-1 fees" means fees paid for distribution of mutual funds pursuant to a plan made under Rule 12b-1 under the Investment Company Act.
- [262] "SEC" means the United States Securities and Exchange Commission.
- [263] "Securities Act" means the U.S. Securities Act of 1933, as amended.
- [264] "SIPC" means Securities Investor Protection Corporation.
- [265] "Solicitors" means certain third-party entities that Merrill Lynch has entered into solicitation arrangements with to refer prospective investment advisory clients to Merrill Lynch.
- [266] "Specified Investments" means securities for which ISS or a successor proxy voting service, as the case may be, does not provide proxy voting services and that are described in the MAA proxy voting policies and procedures included on the Website. A list of Specified Investments will be made available upon request.
- [267] "Strategy" means one or more investment styles or disciplines or combinations of investment styles and disciplines offered by Style Managers participating in Consults.
- [268] "Style Manager" means an investment adviser, which may be an affiliate of Merrill Lynch, that provides MAA with advice regarding the securities or other property to be purchased or sold in a Strategy or Portfolio.
- [269] "Style Manager Related Fund" means a Fund sponsored, managed or administered by an investment manager (other than MAA) or any of its affiliates or a Style Manager or any of its affiliates.
- [270] "UITs" means unit investment trusts.
- [271] "Unaffiliated Investment Firm" means a bank, broker or dealer other than Merrill Lynch or a Related Company.
- [272] "Unrelated Custodian" means an Account custodian that is not an affiliate of Merrill Lynch.
- [273] "Unrelated Money Market Fund" means a registered money market fund that is not managed by Merrill Lynch or a Related Company.
- [274] "Website" means the website to which Merrill Lynch will direct the client and upon which the Proxy Guidelines and the proxy voting policies and procedures of each of MAA and MLPF&S will be available. ■

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Review and Retain – ERISA 408(b)(2) Fee Disclosure

This notice provides ERISA-covered employee benefit plan fiduciaries with disclosures relating to ERISA section 408(b)(2).

This Fee Disclosure includes a description of the services we are offering to your Employee Retirement Income Security Act of 1974, as amended (“ERISA”) governed employee benefit plan or account (the “Plan”) with respect to the Merrill Lynch Consults[®] Program (the “Program”) and the compensation that we and our affiliates expect to receive in connection with these services. This Fee Disclosure is being provided to the “responsible plan fiduciary” to the Plan in compliance with Department of Labor Regulation 29 C.F.R. 2550.408b-2. This Fee Disclosure is intended to be read in conjunction with the Program Brochure, as it may be amended or supplemented from time to time (the “Brochure”), your Program Client Agreement, as it may be amended or supplemented from time to time (the “Client Agreement”) and other documents referenced in this Fee Disclosure. You may obtain a copy of the Brochure at <http://www.adviserinfo.sec.gov> or by contacting your Financial Advisor. To obtain a copy of the Client Agreement and other documents related to the Program, please contact your Financial Advisor.

We, or our affiliates, may provide other services to the Plan that are not covered by this Fee Disclosure. Under such circumstances, this Fee Disclosure should be read in conjunction with the fee disclosures that you may receive from us or our affiliates with respect to such other services.

The Fee Disclosure is not intended as, and does not constitute, an agreement for services with Merrill Lynch (as defined in the Client Agreement) (“Merrill Lynch”) (or its affiliates), and it does not create a contractual relationship or provide any type of guarantee with respect to the pricing of any services. Any services provided to the Plan would be governed by the written terms of the Plan’s Client Agreement with Merrill Lynch.

Description of Services

The Program is an investment advisory program offered by Merrill Lynch. For a description of the services provided to Program accounts, please refer to the sections entitled “Description of Consults” and “Funding and Operation of Consults Accounts” in the Brochure, and the section entitled “Services” in the Client Agreement.

Fiduciary/Adviser Status

For a description of the status of Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”) and Managed Account Advisors LLC (“MAA”) under the Investment Advisers Act of 1940, as amended (the “Advisers Act”) and of MAA under ERISA, please refer to the subsection entitled “Code of Ethics” in the Brochure and Schedule A of the Client Agreement.

Fees, Style Manager Expenses and Other Compensation

Account Fees and Style Manager Expenses

For a description of the standard fees applicable to your Program account (including Style Manager Expenses, where applicable), please refer to the sections entitled “Consults Fees” and “Other Fees and Expenses” in the Brochure and the section entitled “Fees” in the Client Agreement, as may be amended and supplemented from time to time. Please note that your Program account may be

subject to a negotiated fee or other special fee arrangement with Merrill Lynch. If this applies, please contact your Financial Advisor for more information regarding your Program account fee.

Mutual Fund 12b-1 Fees and Investments in Funds Related to Merrill Lynch (Including Related Money Market Funds)

For a description of certain credits that the Plan may be eligible for in connection with investments in mutual funds that pay Merrill Lynch fees under Rule 12b-1 of the Investment Company Act of 1940 or other types of compensation, please see the subsections entitled “Funds and Related Investing” and “Retirement Accounts” in the Brochure, and the section entitled “Investments in Mutual Funds and other Pooled Products” in the Client Agreement.

Bank Deposits

If the Plan participates in Merrill Lynch’s Basic Retirement Program and the Plan elected to participate in the Retirement Asset Savings Program thereunder, then assets of the Plan may be deposited in Merrill Lynch affiliated banks. For more information about this service and benefits that we (and our affiliates) may receive in connection with such deposits, please see the “Retirement Asset Savings Program Fact Sheet” included with the Basic Retirement Program documentation.

If the Plan elects to participate in the Insured Savings Accountsm, then assets of the Plan may be deposited in Merrill Lynch affiliated banks and certain other participating banks. For more information about this service and benefits that we (and our affiliates) may receive in connection with such deposits, please see the “Insured Savings Account” documentation.

Additional Service Fees

We may charge an electronic fund transfer fee on transfers from your Program account, including transfers to another broker-dealer. The fee for this service ranges between \$15 and \$40 per transfer.

Event Payments from Third-Party Vendors

Some third-party vendors will periodically participate in Merrill Lynch hosted internal training and education conferences, as well as conferences that Merrill Lynch may host for clients. The amount paid for participation is used to offset the expenses incurred for these events. For conferences hosted by the Merrill Lynch Retirement Services Group, sponsorship amounts generally do not vary by vendor and cannot be reasonably allocated to any particular Plan client. For example, over the past three years the amount that each participating vendor has contributed to sponsoring a Merrill Lynch Retirement Services Group internal training or education event has generally ranged between \$8,000 and \$40,000, and Merrill Lynch generally hosts approximately 5 to 10 of these Retirement Services Group internal training or education events per year. Additionally, the amount that each participating vendor has contributed toward sponsoring the Retirement Services Group annual conference has averaged approximately \$75,000. Sponsorship payments for internal training, education and client events hosted by Merrill Lynch that are not directly connected to Retirement Services Group business, but which may include clients of, or vendors to, our retirement plan business, are similarly used to offset the costs of the events and cannot be reasonably allocated to any particular Plan client.

Gifts and other Non-Monetary Compensation

From time to time, third-party vendors may provide Merrill Lynch with non-monetary gifts and gratuities, such as promotional items (e.g., coffee mugs, calendars or gift baskets), meals and access to certain industry related conferences (collectively, “gifts”). Merrill Lynch has implemented policies and procedures intended to identify, quantify and track gifts that Merrill

Lynch receives. Merrill Lynch will report gifts received by it or its employees to the extent such amounts exceed the U.S. Department of Labor ("DOL") de minimis thresholds for any plan. The determination of whether the gifts that we receive exceed the de minimis threshold is made by Merrill Lynch after examining the gifts recorded each year and the value of the recorded gifts as may be attributable to a qualified retirement plan client under the DOL rules. Based on historic trends, Merrill Lynch does not expect to receive gifts in excess of the de minimis threshold under the regulations with respect to the Plan.

Compensation for Termination of Contract

There is no additional fee charged upon termination of a Program account, but as discussed above, certain transfer fees may apply.

Compensation Paid Among Merrill Lynch, and Its Affiliates

MLPF&S, MAA and their affiliates benefit from the fees paid by the Program account as described in the Brochure and the Client Agreement.

Solicitor Arrangements and Fees

If the Plan was referred to the Program through the Merrill Lynch Professional Alliance Program ("PAP"), a solicitor may be compensated for the referral of your Program account to Merrill Lynch. For more information regarding these arrangements, please see the PAP Disclosure Statement and Acknowledgement that applies to your Program account.

Style Managers

For information about the services and compensation of a particular style manager, please refer to the sections entitled "Services, Fees and Compensation" and "Consults Fees" in the Brochure and the section entitled "Fees" in the Client Agreement, as may be amended and supplemented from time to time, and the style manager's Form ADV Part 2 (available at <http://www.adviserinfo.sec.gov>) and any supplemental disclosure document provided by the style manager, if available. For additional information regarding the services and fees of a style manager, please contact your Financial Advisor.

Proxy Voting Services

Unless you have notified Merrill Lynch to the contrary, you have, pursuant to the terms of the Client Agreement, delegated proxy voting responsibilities for certain investments held in your account to Institutional Shareholder Services, Inc. ("ISS") and instructed ISS to vote all proxies related to such investments in accordance with their applicable proxy voting guidelines. ISS is compensated by Merrill Lynch (or an affiliate thereof) for its proxy voting services. ISS has indicated to Merrill Lynch that it does not receive indirect compensation with respect to providing these services, other than the compensation that it receives from Merrill Lynch, and that it provides its proxy voting services as an investment adviser registered under the Advisers Act. ISS will be acting as a fiduciary under ERISA when it exercises discretionary authority over proxies. For more information regarding ISS and its services, please refer to the "Proxy Voting and Other Legal Matters" sections of both the Client Agreement and the Brochure, ISS's Form ADV Part 2 (available at <http://www.adviserinfo.sec.gov>), and ISS's applicable proxy voting guidelines (available at <http://www.issgovernance.com>). For more information, please contact ISS.

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