

Managed Account Advisors LLC

Form ADV Part 2A Brochure

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This brochure provides information about the qualifications and business practices of Managed Account Advisors LLC (“MAA”). If you have any questions about the contents of this brochure, please contact us at (888) 204-3287. 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 MAA; are not endorsed or guaranteed by Bank of America, N.A., Merrill Lynch, Pierce Fenner & Smith Incorporated (“Merrill Lynch”), MAA, any bank or any Affiliate of MAA; and involve investment risk, including possible loss of principal.

Additional information about MAA also is available on the SEC’s website at http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx.

March 27, 2017

Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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ITEM 2 MATERIAL CHANGES

On March 14, 2016, Managed Account Advisors LLC filed its last annual update for its Form ADV Part 2A brochure (“Brochure”). Set forth below is a summary of the material changes to this Brochure since that date. This summary of material changes is designed to make clients aware of information that has changed since the Brochure’s last annual update and that may be important to them. The material changes summarized below were also incorporated within this Brochure. Capitalized terms that are not defined in this Brochure have the meanings provided in the Glossary.

No material changes have been made since the last annual update was filed for this Brochure.

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ITEM 4 ADVISORY BUSINESS

Managed Account Advisors LLC (“MAA”), an indirect wholly-owned subsidiary of Bank of America, began providing advisory services in 2007 and currently provides investment advisory services to clients primarily through managed account programs sponsored by its Affiliates, including Merrill Lynch. MAA also provides discretionary advisory services to the Bank in connection with investment management and trust services offered by the Bank to its fiduciary accounts. As of December 31, 2016, MAA manages \$255.7 billion in client assets on a discretionary basis and no client assets on a non-discretionary basis.

This Brochure relates solely to the advisory services MAA provides to the Bank in connection with Select Portfolio Solutions (the “Program”), an investment service offered by the Bank to its fiduciary account clients, including personal trusts, individuals, institutions, and retirement plans. Capitalized terms that are not defined in this Brochure (or capitalized for grammatical purposes) have the meanings provided in the Glossary.

Information pertaining to the wrap fee programs through which MAA provides advisory services can be found in separate brochures for each wrap fee program, which are available from each client’s Representative or on the SEC’s website at http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx.

The Program

The Program is an investment service that is designed to help clients meet their investment objectives by offering Style Managers, Strategies and Portfolios to complement a client’s existing investments. Under the Program, MAA provides a variety of investment advisory services. Specifically, MAA:

- Implements, as applicable, the Style Manager’s recommendations for each Strategy;
- Invests the initial cash and securities deposited in the Program Account;
- Monitors available cash, contributions and distributions in the Program Account;
- Processes all contributions, withdrawal requests and Program Account terminations;
- Periodically reviews the Program Account for rebalancing (if applicable);
- Prevents the purchase of any securities that a client has reasonably restricted from his, her or its Program Account; and
- Implements a client’s tax-selling instructions, if any.

Depending on the selection of a Style Manager, Strategy or Portfolio for a client’s Program Account, the client’s assets will be invested in all or a combination of equities, fixed-income securities, Funds and other securities and investment products made available through the Program now or in the future. To help determine the appropriate selection of Style Managers, Strategies or Portfolios, clients will be asked to complete a Client Information Summary, which collects information about the client’s financial

circumstances, investment objectives, tax situation, time horizon, risk tolerance and other relevant information.

Reasonable Investment Restrictions

Clients may impose two types of reasonable investment restrictions on the management of their Program Accounts – individual security restrictions and sector restrictions. MAA will review restrictions 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 Portfolio or Strategy or to one or more substitute securities, which may include ETFs. If one or more restrictions are determined to be unreasonable, the Program Account will not be opened and clients should consider other more appropriate Strategies, Portfolios or Style Managers in the Program, or other more appropriate products or services. MAA and the Bank reserve their right to modify their practices regarding client-imposed restrictions in their sole discretion at any time without notice.

Client-imposed reasonable investment restrictions may adversely affect the investment performance and diversification of the securities in a Program Account. Such restrictions will not apply to the portfolio holdings of any portion of a client's Program Account invested in any Funds. Consequently, to the extent there are Funds in a Program Account that a client selects, the client's ability to restrict investments in the Program Account will be limited.

Additional information about the Program is included in the Program's Disclosure Statement.

ITEM 5 FEES AND COMPENSATION

Account Fees

The Account Fee for the Program is comprised of: (i) the fee the client currently pays the Bank for its services, as that fee is set forth in the Client Agreement or other relevant documentation governing that relationship (the "IM&T Fee"); and (ii) the fee the client pays for a particular Style Manager's services ("Style Manager Expense"). The Account Fee is payable in advance and will be based on the value of assets in a client's Program Account. For the services MAA provides under the Program, the Bank pays MAA an asset-based fee.

The IM&T Fee clients pay may be negotiable depending on a number of factors. Such factors include, but are not limited to the:

- Market value of a client's assets;
- Number and size of a client's related accounts maintained at the Bank and its Affiliates;
- Range and extent of services provided or to be provided to a client; and
- Representative assisting the client.

The IM&T Fee for assets greater than \$25 million will be determined by agreement between the client and the Bank.

Other pricing arrangements, typically involving multiple accounts, products or services, may also be available to clients. While clients entering into such arrangements may pay higher fees for any particular component being offered, 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. From time to time, MAA and the Bank also may enter into specialized agreements to provide particular or unique services to certain clients, subject to negotiated fees. In addition, the Program may be offered through other lines of business of Bank of America. Clients of these lines of business may have a limited or different selection of Portfolios, Style Managers, Strategies, and/or Funds. Certain additional services also may be provided to such clients. The fees for certain of the services described in this Brochure may be reduced for employees of the Bank and its Affiliates, or such employees and Affiliates may be subject to prior fee schedules.

IM&T Fee

The IM&T Fee rates and terms of payment are set forth in the Client Agreement or other relevant documentation and are subject to change. Clients should consult their Representatives with any questions about the terms of their existing relationship with the Bank.

Style Manager Expense

The Style Manager Expense rates generally range from 0.15% to 0.40%, depending upon the Portfolio or Strategy selected for a client's Program Account. The Style Manager Expense rate applicable to a client's Program Account does not change based upon the value of assets in a client's Program Account. The Style Manager Expense rate for each Style Manager available through the Program is listed in the Style Manager Expense Rate Supplement to the Disclosure Statement. The Style Manager Expense rate paid to each Style Manager is subject to negotiation among the Bank, MAA and each Style Manager. As a result, the Style Manager Expense for each Style Manager may change from time to time and may increase beyond the range provided without prior notice to the client. Clients will be notified of a change in Style Manager Expense due to the change of a Style Manager in the client's Program Account.

Additional information about Account Fees and other fees and expenses that a client may incur when participating in the Program are discussed in greater detail in the Program's Disclosure Statement.

Calculation of Style Manager Expense

The Program Account value used for the calculation of the Style Manager Expense may differ from that shown on a client's 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. The valuation of Program Account securities reported in the

performance measurement report also may be subject to occasional repricing in reasonable and appropriate circumstances, but such repricing will not affect, or result in the adjustment of, previously calculated Account Fees.

If a new or different Portfolio or Strategy is selected for a client's Program Account, the change in Portfolio or Strategy will be processed as if it occurred on the Friday of the week of such change. The Style Manager Expense rate applicable to the old Portfolio or Strategy will apply through such Friday, after which the new Style Manager Expense rate(s) for the new Portfolio or Strategy will automatically be applied.

Program Account assets will be valued in a manner determined by the Bank and MAA in their sole discretion, and in some cases may be based on estimates obtained from various sources. 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 about the value of assets in a client's Program Account. For fixed-income securities, the values assume no unusual market conditions and are generally for transactions of \$1 million or more, which may produce values that are higher than the prices that would be achieved in the sale of fewer securities. As a result, the Account Fee may be calculated based on values for some securities that are greater than the amount the client would receive if the securities were sold from the client's Program Account.

Deduction of Account Fees

Clients or their authorized representatives generally have agreed to the following:

- Unless otherwise agreed to between the client and the Bank, the IM&T Fee (and any other fees payable under the Client Agreement, if applicable, or other relevant documentation, including any Style Manager Expenses) will be deducted directly from a client's Program Account;
- MAA and the Bank are authorized to deduct the Account Fee from the assets held in a client's Program Account, to the extent permitted by applicable law, if full payment of the Account Fee has not been timely received or, if earlier, at the time the Program Account is terminated;
- The Account Fee for a client's Program Account will be payable, unless otherwise indicated, first from the liquidation or withdrawal by MAA or Merrill Lynch, on the Bank's behalf and to the extent permitted by applicable law, of the client's shares of any money market fund or balances in any money market or bank deposit account, as the client authorizes in the Client Agreement, and second from free credit balances, if any, in the client's Program Account, and to the extent that such assets are insufficient to satisfy payment of such fees, the client will be billed by the Bank;
- Timely payment of all amounts due to the Bank; and
- To the extent permitted by law, all assets in a client's Program Account or otherwise held by the Bank or its Affiliates for the client (other than retirement accounts guaranteeing the obligations of non-retirement accounts and vice versa) will be subject to a lien for the discharge of client obligations to make timely payment to the Bank of the Account Fee (and any other fees the client is obligated to pay), and MAA and its Affiliates, subject to applicable law, may sell assets in the client's Program Account to satisfy this lien.

A client is responsible for paying the full amount of the Account Fee, regardless of whether the client uses all of the services provided or described herein and in the Disclosure Statement. Clients may be able to pay the Account Fees from assets held outside of their Program Account. Clients should contact their Representatives for additional information.

Ability to Obtain the Program Services Separately

Clients may be able to obtain some or all of the types of services available through the Program separately from MAA and its Affiliates on a separate or combined basis, subject to certain restrictions, including the type of account for which you are seeking these types of services. Depending upon the factors below, the Program may cost clients more or less than purchasing the services separately. Clients may also be able to obtain some or all of the types of services available through the Program from other firms and Account Fees may be higher or lower than the fees charged by other firms for comparable services, assuming such services are available. It is the client's responsibility to review the other services or investments available through MAA and its Affiliates with his or her Representative to determine whether they may be more appropriate than the Program.

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

- Client preference for an advisory or brokerage relationship;
- Client preference for a discretionary or a non-discretionary relationship;
- Client 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 Bank or Merrill Lynch program or service;
- How much trading activity a client expects to take place in his or her Program Account;
- How much of a client's assets are expected to be allocated to cash;
- Whether a client wishes to invest in mutual funds, and which mutual funds (if any) are available in particular programs;
- 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 a client in a brokerage account, but that are not available in the Program.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

MAA may manage multiple accounts with different investment objectives, guidelines and policies, and with different fee structures. While MAA does not presently accept performance-based fees, it may enter into performance fee arrangements with qualified clients in the future. Such performance fee arrangements would be subject to individualized negotiation with each such client and structured so as to comply with Rule 205-3 under the Advisers Act.

ITEM 7 TYPES OF CLIENTS

Client Eligibility

To participate in the Program, a client must maintain an investment management, trust or similar relationship with U.S. Trust or Bank of America Merrill Lynch Retirement Services. Investors eligible to participate in the Program include individuals, trusts, estates, charitable organizations, banks, insurance companies, thrift institutions, retirement plans, pension and profit-sharing plans, and corporations. As indicated in the Strategy Profile for each Strategy, not all types of investors are eligible for each Style Manager or Strategy.

Account Minimums

The minimum initial investment in the Program varies depending on the Style Manager or Strategy selected for the client's Program Account. The minimum initial investment for a particular Portfolio or Strategy is generally included in the applicable Strategy Profile.

Closing a Program Account and/or Terminating Participation in the Program

Clients may be able to terminate their Program Accounts or their participation in the Program generally, subject to the Client Agreement or other relevant documentation. Upon termination of a Program Account or a client's participation in the Program, a pro rata adjustment to the client's fees for the remainder of the billing period will be made, which may result in a refund or require the client to pay the Bank any remaining fees due for the partial billing period. See the Disclosure Statement for more information. Termination of a Program Account will not affect the management of any other Program Accounts the client may have that the client is not also terminating. Upon termination of the client's Program Account, MAA will have no responsibility for the investment of assets in the client's Program Account.

Notwithstanding a client's instructions to the contrary, certain Funds and other securities held in the client's Program Account pursuant to a certain Strategy will be automatically liquidated or redeemed, as described in the applicable prospectus or disclosure document upon termination of a Program Account or the Client Agreement (if applicable). Liquidation or redemption will generally be effected by the close of the next business day following termination, although for certain securities, such as those traded on a when-issued basis or as odd lots, the liquidation or redemption process may take longer.

The termination of a client's Representative's employment with the Bank will not automatically terminate the Client Agreement or a Program Account. If a client's Representative is no longer able to service the

client's Program Account, the Bank may transfer that Program Account to a different Representative and the client will be notified of any such changes.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

For the Strategies and Portfolios, a number of investment techniques, including fundamental analysis, may be used. A variety of sources of information may be used to facilitate such analysis. The Strategies or Portfolios also may be invested in a wide range of investments depending on a particular client's objectives, strategies, policies, applicable law and other relevant factors.

General descriptions of the Strategies or Portfolios are included in the Strategy Profiles provided or made available to clients. Clients also may receive brochures of any Discretionary Manager selected to manage their Program Account or a portion thereof. MAA reserves the right to limit the availability of any particular Strategy at any given time based on factors including, but not limited to, asset class capacity, pre-existing relationships, minimum account sizes, fees and distribution channels. In addition, MAA and the Bank may offer other Strategies from time to time. Certain Strategies may be available only in certain channels or through a purchase of shares of Funds.

As with any investment in securities, investment in the Program involves a risk of loss. Clients may lose money by participating in the Program. Program Accounts are not bank accounts. They are not insured or otherwise protected by the Federal Deposit Insurance Corporation or any other government agency, are not obligations of the Bank, MAA or any Affiliate; and are not endorsed or guaranteed by the Bank, MAA, any bank or any Affiliate of the Bank. General investment risks include, but are not limited to, the following:

Management Risk – Investment decisions might produce losses or cause a client's Program Account to underperform relative to a relevant benchmark or peer group. The Bank's decisions or recommendations with respect to Style Managers and Strategies also may cause underperformance of a client's Program Account(s) relative to either the client's expectations or similar programs, and there is no guarantee that the selected or recommended Style Manager(s) and/or Strategies will produce the desired results.

Market Risk – Security prices in a market, sector or industry may fall, reducing the value of a client's Program Account(s).

Equity Risk – Stock prices may fall over short or extended periods of time.

Interest Rate Risk – The value of fixed-income securities may be affected by any increase or decrease in prevailing interest rates. In general, if interest rates rise, bond prices fall, and if interest rates fall, bond prices rise.

Credit Risk – Changes in the financial condition of an issuer or guarantor of a fixed-income security or a counterparty to a contractual obligation and changes in general economic conditions may impact the actual or perceived willingness or ability of an issuer, guarantor or counterparty to make timely payments of interest or principal or to otherwise honor its obligations. Such changes may result in a loss.

Style Risk – A Strategy or Portfolio may follow a particular investment style that may fall out of favor in

the market.

Inflation Risk – Returns on fixed-income securities may not keep pace with inflation.

Foreign Securities Risk – Foreign securities are subject to special risks, including without limitation limited liquidity, delays in settlement, less publicly available information about companies, the impact of political, social or diplomatic events, possible seizure, expropriation or nationalization of a company or its assets, and possible imposition of currency exchange controls. Foreign markets may be extremely volatile.

Regulatory Risk – The overall investment activities of the Bank, MAA and their Affiliates may limit the investment opportunities for a client's Program Account(s) 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, a client's Program Account's activities also may be restricted because of regulatory restrictions applicable to the Bank, MAA or their Affiliates, and/or their internal policies.

In addition to the risks discussed above, clients are encouraged to review the "Risk and Tax Disclosure" section in the Disclosure Statement.

ITEM 9 DISCIPLINARY INFORMATION

There are no legal or disciplinary events that MAA believes are material to a client's or prospective client's evaluation of MAA's advisory business or the integrity of MAA's management. In the past, the Bank and other of its Affiliates, including Merrill Lynch, have entered into certain settlements with regulators and other third parties and have been the subject of adverse legal and disciplinary events. Clients can find information regarding these settlements in Part 1A of Merrill Lynch's Form ADV at http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

MAA, an indirect wholly-owned subsidiary of Bank of America, is a registered investment adviser that provides investment advisory services to clients that establish accounts under various investment advisory programs and the Program. Bank of America provides broker-dealer, investment banking, financing, wealth management, advisory, asset management, insurance, lending and related products and services through its subsidiaries and Affiliates 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.

For purposes of Form ADV Part 2, certain MAA management persons are registered as registered representatives or associated persons of Merrill Lynch. In the future, certain MAA 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.

Merrill Lynch, an indirect 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 registered investment advisers, Merrill Lynch and MAA have filed Form ADVs, which contain additional information about such entities, Bank of America and their Affiliates. These are available through publicly available filings at the SEC or at http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx.

MAA, through the Bank's Representatives, may suggest or recommend that Program clients use an Affiliate's securities account, execution and custody or other services. Similarly, Representatives may suggest or recommend that clients purchase MAA's or its Affiliates' products. Where a client uses or purchases MAA's or its Affiliates' services or products, MAA and its Affiliates will receive fees and compensation. Representatives typically do not, but may, as permitted by applicable law, receive compensation (the amount of which may vary) in connection with these products and services.

In the future, Program Accounts may invest in shares of mutual funds which are Related Funds that may be offered from time to time. To the extent permitted by applicable law, MAA's Affiliates may receive compensation with respect to shares of Related Funds in which a Program Account may be invested.

MAA addresses these conflicts through disclosure in this Brochure and the Program's Disclosure Statement. Representatives 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, MAA has established a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest – both those arising between and among Program Accounts as well as between Program Accounts and MAA's business.

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Conflicts of Interest and Information Walls

Merrill Lynch is an indirect wholly-owned subsidiary of Bank of America. Bank of America engages in a wide range of activities and businesses across a broad spectrum of clients. As a result, we recognize actual, potential and perceived conflicts of interest may develop in the normal course of operations in various parts of the Bank of America organization. To address these potential conflicts, information walls are in place to allow multiple businesses to engage with the same or related clients at the same time while mitigating the conflicts which may arise from such a situation. For example, information walls are designed to prevent the unauthorized disclosure of material nonpublic information and allow public side sales, trading and research activities to continue while other businesses within Bank of America possess material nonpublic information. Additionally, Bank of America maintains a Code of Ethics which provides guidelines for the business practices and personal conduct all associates and board members are expected to adopt and uphold.

Managing conflicts of interest is an integral part of Bank of America's risk management process. We believe that no organization can totally eliminate conflicts that exist explicitly or implicitly. Bank of America, including Bank of America Merrill Lynch's investment advisory business, evaluates its business activities and the actual and possible conflicts that may emerge from its activities on an ongoing basis. To the extent that existing or new business activities raise an actual conflict of interest, or even the appearance of a conflict, we endeavor to provide you with full and clear disclosure or to take action to avoid them.

Code of Ethics

MAA has adopted an Investment Adviser Code of Ethics (the "Code of Ethics") covering its personnel who are involved in the operation and offering of investment advisory services. The 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 MAA follows in conducting its business with integrity and professionalism. The 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.

All covered personnel must certify receipt of the Code of Ethics. MAA will provide a copy of the Code of Ethics to clients upon request.

MAA has imposed policy restrictions on all personnel for transactions for its own accounts and accounts over which it has control or a beneficial interest. In addition, MAA has special policies requiring that certain personnel obtain specific approval of their securities transactions and has implemented procedures for monitoring these transactions, as well as those of all MAA employees.

Participation or Interest in Client Transactions

Agency-Cross and Cross Trades

Merrill Lynch will not charge a commission on agency transactions in a client's Program Account. To the extent consistent with applicable law and the terms of a client's Client Agreement, Merrill Lynch or an Affiliate, as appropriate, will effect Program Account transactions on a stock exchange.

There may be instances in which Merrill Lynch or its Affiliates may have the opportunity to act as agent for both buyer and seller in a transaction for a client's Program Account, in accordance with applicable law. This is called an "agency-cross" transaction. Since Merrill Lynch or its Affiliate generally will receive compensation from each party to an agency-cross transaction, there is a potential conflict between MAA's responsibilities and loyalties to a Program client and to the other party to the transaction. Compensation received by Merrill Lynch or its Affiliate from the other party in an agency-cross transaction would be in addition to the fees described in this Brochure.

From time to time MAA, an Implementing Manager and their respective Affiliates, if applicable, may cause a client's Program Account to engage in a transaction for the purchase or sale of a security with another client, subject to applicable law, and only when the transaction is in the best interest of each party. Neither MAA or its Affiliate nor an Implementing Manager or its Affiliate, if applicable, would receive any compensation in connection with the transaction.

Funds and Related Investing

MAA and the Style Managers may purchase, or recommend for purchase, as applicable, Funds, including Related Funds, Funds managed by Related Style Managers, Style Manager Related Funds, for a client's Program Account. The fees and expenses, if any, of these Funds, are in addition to Account Fees, unless such fees and expenses are credited to the client's Program Account.

. MAA potentially benefits from its economic interest in Related Companies and its 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 MAA or its Affiliates do not have an economic interest in the firm providing such services. As a result, MAA may benefit from increased sales of Funds and other investment products of Related Companies, and Bank of America Affiliates to clients to a greater extent than from increased sales of funds or investment products sponsored by other firms in which MAA and its Affiliates do not have a similar economic interest or relationship.

In addition, MAA, Merrill Lynch, a Related Company, the Style Manager, or their respective Affiliates, as applicable, may earn additional compensation for services rendered in connection with such products. For

example, Merrill Lynch or a Related Company may execute brokerage transactions for a Fund included in a client's Program Account, or provide shareholder sub-accounting services to a Fund, for which it will be paid. Each of the Related Funds pays investment management fees to its investment adviser and, like unrelated Funds, incurs other expenses. More complete information about the Funds, including risks, management fees and other charges and expenses, is contained in each Fund's prospectus or other applicable disclosure document.

The additional economic benefit to MAA, Merrill Lynch, Related Companies, Style Managers or their respective Affiliates, as applicable, and potentially, a Representative, from investments in Funds presents a conflict of interest. This conflict may be greater when a client, with the assistance of his or her Representative, selects a Strategy that is implemented using these products. For Funds advised, sponsored or distributed by MAA, Merrill Lynch, a Related Company or their respective Affiliates, MAA, Merrill Lynch, a Related Company or their respective Affiliates, as applicable, may receive investment management fees and/or Rule 12b-1 fees or other service fees from the Funds. For other Funds, Merrill Lynch and its Affiliates also may receive Rule 12b-1 fees or other service fees from the Funds. MAA and its Affiliates also may provide other services to, or effect transactions with, 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 Account Fee is intended to cover certain similar services when provided directly to a Program Account, a client may be deemed to be paying additional fees for the same services if the client selects a Strategy that invests in Funds.

Each mutual fund, or its adviser, principal underwriter or other agent, has entered into an agreement with Merrill Lynch 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 an Merrill Lynch securities account. Merrill Lynch 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. These subaccounting and related services arrangements vary by mutual fund. Depending on the mutual fund's or its adviser's, principal underwriter's or other agent's arrangement with Merrill Lynch and its Affiliates, Merrill Lynch or its Affiliate will receive from the mutual fund or a fund service provider or its affiliate, subaccounting fees of either up to 0.15% per annum of the amount invested in such mutual fund or up to \$21 annually per position in the mutual fund. These subaccounting fee rates are subject to change from time to time. Subaccounting fee rates may be received individually, or may be part of a "bundled" arrangement with a mutual fund that includes other types of fees, such as distribution and marketing support payments. For more information, please refer to the document entitled "Mutual Fund Investing at Merrill Lynch" available at www.ml.com/funds and also available from your Financial Advisor upon request.

In addition to these fees, Merrill Lynch and its Affiliates receive fees paid by certain ETF or similar product sponsors or their Affiliates for licensing or other arrangements. These fees are typically calculated as a percentage of the assets of the ETF or similar product.

Merrill Lynch, a Related Company, a Style Manager or their respective Affiliates may receive investment management fees paid by the Funds held in a client's Program Account.

Mutual funds purchased in a client's Program Account will generally consist only of classes of shares with no contingent deferred sales charge (CDSC) or front-end sales loads (or with such charges waived). In addition, from time to time a Fund may authorize MAA or its Affiliates to make available to clients participating in the Program a class of shares of a Fund with a fee structure MAA or its Affiliates believe is more beneficial to clients than the class of shares previously made available. In such circumstances, MAA or its Affiliates will effectuate the exchange to the other class of shares of the same Fund.

If a client holds shares of a Style Manager Related Fund, the pro rata share of any advisory fees paid by the Style Manager Related Fund will be used to offset the Style Manager Expense payable to the Style Manager.

In addition to Funds, MAA, Merrill Lynch, a Related Company, the Style Manager or their Affiliates may earn additional compensation for services rendered in connection with other types of investment products purchased for a client's Program Account, such as exchange-traded notes.

Bank of America is a diversified financial services company that together with Merrill Lynch and their Affiliates generally seeks to provide a wide range of services to retail and institutional clients for which it receives compensation. As a result, Bank of America and Merrill Lynch can be expected to pursue additional business opportunities with the firms whose Funds Merrill Lynch makes available to its clients and their affiliates. Consistent with industry regulations, these services could include (but are not limited to): banking and lending services, sponsorship of deferred compensation and retirement plans, recordkeeping services, investment banking, securities research, institutional trading and prime brokerage services, custody services, investment advisory services, and effecting portfolio securities transactions for Funds and other clients. Merrill Lynch professionals (including financial advisors), involved with the offering of Funds to individual investor clients may introduce Fund distributors, sponsors, service providers or their affiliates to other services that Bank of America, Merrill Lynch and their other Affiliates provide. As such, Merrill Lynch and its Affiliates may earn additional compensation for the services.

Retirement Accounts

If the client's Retirement Account is invested in shares of a Related Fund that is not a Related Money Market Fund, then the Retirement Account's pro rata share of the advisory fees paid by the Related Fund to a Merrill Lynch Affiliate will be offset against 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 Retirement Account's pro rata share of any Rule 12b-1 fees (calculated daily) and sub-accounting fees paid by a Fund to Merrill Lynch or its Affiliate. If a Retirement Account holds Fund shares, the Bank and its Affiliates will credit to the Retirement Account the pro rata share of any Rule 12b-1 fees the Fund pays the Bank or its affiliates on a periodic basis, as required by applicable law. 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, MAA or the Bank will rebate the operating expenses for such ETFs in certain account types enrolled in the Program.

Acting as General Partner

Certain Affiliates of MAA act as general partners in a variety of limited partnerships as well as in other capacities for hedge funds and other investment funds in which brokerage clients of Merrill Lynch may invest or may be solicited to invest by Merrill Lynch acting in its broker-dealer capacity. These clients may also be advisory clients of MAA or an investment advisory Affiliate. 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 Relationships and Interests

MAA and its Affiliates may have business relationships with the officers, directors or employees of a variety of clients, including corporations, pension and retirement plans, and other entities. These business arrangements may create a conflict of interest to the extent that these individuals have any role or influence in the hiring or retention of MAA, its Affiliates, and the Representatives or with respect to their compensation.

MAA, Merrill Lynch, or their Affiliates may receive additional economic benefits from cash investments held in clients' Program Accounts. This conflict may be greater when higher cash balances are maintained in a client's Program Account. At times, however, the relevant Style Manager (including, where applicable, a Related Style Manager) may believe that it is in the client's interest to maintain assets in cash, particularly for defensive purposes in volatile markets. MAA or a Style Manager will not be precluded by any of these conflicts from exercising its judgment in the client's best interest.

As a registered broker-dealer, MAA's Affiliate, Merrill Lynch, also may benefit from the possession or use of any free credit balances in client accounts, including a client's Program Accounts, subject to restrictions imposed by Rule 15c3-3 under the Exchange Act and as otherwise consistent with applicable law.

From time to time, Merrill Lynch may enter into distribution agreements with one or more asset managers pursuant to which Merrill Lynch distributes certain products and services sponsored or advised by the asset manager.

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

Investment in Securities by MAA and its Personnel

MAA and its 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, MAA may give advice or take action with regard to certain clients, including Program clients, that may differ from that given or taken with regard to other clients. This includes the advice given or actions taken for certain securities, Funds or Strategies or Style Managers. In some

instances, the actions taken by Affiliates for similar services and programs may conflict with the actions taken by MAA. This is due to, among other things, the differing nature of the Affiliate's investment service and differing processes and criteria upon which actions are taken.

Related Style Managers may provide advisory services for one or more Strategies available for a client's selection. To the extent the Bank or an Affiliate is a significant stockholder in a Related Style Manager, this fact will be disclosed in the relevant Strategy Profile. If a Related Style Manager is selected, MAA and its Affiliates may obtain an additional economic benefit. For this reason, a potential conflict of interest exists when the Bank, MAA or the Representative selects or assists clients in the selection of, as applicable, a Portfolio or Strategy (or replacement Portfolio or Strategy, if applicable).

MAA and its Affiliates may provide some or all of the same services offered in the Program through other financial firms, affiliated or unaffiliated with MAA, that offer programs similar to the Program at fee rates that may differ from the Account Fees charged in the Program.

MAA or one of its Affiliates may own or enter into "proprietary" transactions in securities purchased or sold for clients, including clients participating in the Program. MAA or its Affiliates may benefit from such securities positions or transactions.

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

Other Compensation and Conflict of Interest Considerations

Conflicts of Interest Related to the Selection of Style Managers

The Program includes Style Managers that are affiliated with, or whose inclusion otherwise may result in additional benefit (financial or other benefit) to, the Bank and its Affiliates as well as those with which the Bank has no such relationship.

Some Style Managers, from time to time, provide employees of the Bank or its Affiliates with training regarding their advisory services. In addition, Style Managers may pay or reimburse the Bank 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 personnel of the Bank, MAA or their Affiliates relating to the Program and asset management generally. The Style Managers also may make charitable donations or cover the costs of reasonable entertainment for events sponsored by the Bank,

Merrill Lynch or their Affiliates or related to clients. The receipt of training and compensation may influence the Bank's, its Affiliates', and their employees' decision to recommend the selection of these Style Managers over other Style Managers.

Employees of the Bank also may have personal, familial, or other business relationships with employees of the Style Managers or mutual fund complexes (or the investment advisers or service providers of such mutual fund complexes) that the Bank or its Affiliates may sell. This may create an incentive to favor these Style Managers or Strategies that include Funds.

Additional Information and Potential Conflicts of Interest

In addition, other Bank of America Affiliates or divisions, including Merrill Lynch, may offer their own managed products or wrap programs that may be similar to the Program. In particular, the Global Wealth and Investment Management Chief Investment Office ("GWIM CIO") also may provide advice and/or recommendations to these different Affiliates or divisions, including advice related to the recommendation of certain investment managers. Importantly, the advice and recommendations provided to MAA or for the Program may be different from or conflict with the advice and recommendations provided to other Affiliates or programs. 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. For example, GWIM CIO may recommend a specific investment manager for inclusion in a Merrill Lynch program, but not the Program.

In addition to providing advisory services to Program participants, Representatives also may service other advisory and banking accounts for clients who do not participate in the Program, and may offer and provide other services to clients who, in addition to participating in the Program, have other relationships or dealings with MAA or its Affiliates.

The Bank, MAA and their Affiliates also may, from time to time, enter into specialized agreements to provide particular or unique services to certain clients, subject to negotiated fees.

ITEM 12 BROKERAGE PRACTICES

Transactions in Program Accounts

All transactions in a Program Account, except as provided below, will be effected by or through Merrill Lynch or its Affiliates, acting as agent. In effecting transactions for a client's Program Account, Merrill Lynch and its Affiliates will be acting exclusively as broker-dealer. If Merrill Lynch or its Affiliates cannot effect a transaction on the client's behalf, MAA will effect the transaction through an Unaffiliated Investment Firm. The client should understand that the direction by the client to use Merrill Lynch and its Affiliates to effect transactions in a Program 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. However, because clients generally are not paying for brokerage costs, any added expense typically will be absorbed by the Bank.

Merrill Lynch has multiple equity trading desks. Merrill Lynch has in place effective internal controls, including information barriers, to prevent the sharing of order information among the equity trading desks. As a result, each of Merrill Lynch's equity trading desks independently conducts its trading activities. When the Merrill Lynch market making desk (which engages in block positioning and provides firm bid/offer quotes) handles a client's equity orders, other Merrill Lynch equity trading desks may separately transact - without knowledge of the client's orders -- for their principal accounts at prices that would satisfy the client's orders. Similarly, if a client's orders are handled by another of Merrill Lynch's equity trading units and no attempt is made to obtain liquidity for the client's orders from the market making desk, the client should understand that the market making desk may separately transact -- without knowledge of the client's orders -- for its principal at prices that would satisfy the client's orders. The equity trading desks' or market making desk's execution prices could be better, the same, or worse than the prices you receive for the same security.

A Discretionary Manager has authority to place all orders for transactions in a Program Account with a broker-dealer it selects, including an Unaffiliated Investment Firm. MAA personnel may provide administrative services to certain Discretionary Managers to assist with the placement of orders at the direction of the Discretionary Manager. In selecting a firm to execute transactions for the Program 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 a client's Program Account, so long as the Discretionary Manager reasonably believes that the firm it selects can be expected to obtain a "best execution" market price on the particular transaction.

Certain Style Managers that are not Discretionary Managers, as described in the applicable Strategy Profiles, are authorized to place orders for particular trades with Merrill Lynch or 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 multiple Program Accounts in a block trade; and (ii) the Style Manager expects aggregation to benefit Program clients. Each time a Style Manager has the responsibility to place a trade for a Program Account, it will be considered an "Implementing Manager."

When consistent with applicable law and the terms of a client's Client Agreement (as applicable), MAA or an Implementing Manager may establish accounts with Unaffiliated Investment Firms, as necessary, for the purpose of effecting transactions in the client's Program Account, in accordance with applicable law.

When a Discretionary Manager selects a firm to execute transactions, or when MAA selects an Unaffiliated Investment Firm to execute transactions, the Discretionary Manager or MAA, as applicable, 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 Program Accounts by participating in such transactions for its own account; the firm's clearance and settlement capabilities; as well as other factors relevant to the selection of a broker-dealer for the execution of client securities transactions. To the extent a Discretionary Manager receives brokerage

and research services and products from a broker-dealer or third party in connection with client transactions (“soft dollar benefits”), the Discretionary Manager’s Form ADV should disclose its soft dollar policies and practices.

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 fees paid to the Implementing Manager. Some Implementing Managers’ fees are higher than other Style Managers’ fees with the same or similar Strategies, and, as a result, the client will indirectly bear the cost of trades executed with Unaffiliated Investment Firms. Since the client will pay the same Account Fee regardless of whether an Implementing Manager trades for the client’s Program Account through an Unaffiliated Investment Firm, this may create a material conflict of interest between the Implementing Manager and the client because the Implementing Manager will have a financial incentive to trade with Merrill Lynch or its Affiliates and avoid paying the cost of client commissions, which may interfere with the Implementing Manager’s duty to the client of best execution.

Mark-ups or mark-downs 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 Merrill Lynch or its Affiliates act as agent) are not covered by Account Fees and will be paid by the client rather than Merrill Lynch or the Implementing Manager.

Merrill Lynch will not charge a commission on agency transactions in the client’s Program Account. As discussed in the section *Participation or Interest in Client Transactions - Agency-Cross and Cross Trades*, there may be instances in which Merrill Lynch or its Affiliate (or an Implementing Manager or its Affiliate, if applicable) will have the opportunity to engage in cross or agency-cross transactions, subject to applicable law. Merrill Lynch or its Affiliate or an Implementing Manager or its Affiliate, if applicable, would engage in such transactions only when the transaction is in the best interest of each party.

MAA or the Implementing Manager may, but is not required to, aggregate orders for the sale or purchase of securities for a client’s Program Account with orders for the same security for its other clients, proprietary accounts or the accounts of its employees and/or related persons, without a client’s 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.

When Merrill Lynch 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 the client’s order as agent and assess a commission charge, or they may transact as principal and receive a dealer spread or mark-up/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 mark-up/down. Although the remuneration is not disclosed to or by Merrill Lynch in net price transactions, Merrill Lynch will undertake, at a client’s written request, to determine or ascertain from the counterparty this remuneration in a given transaction for the client’s Program Account. Foreign Unaffiliated Investment Firms also may charge commissions and/or dealer spreads 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 lower than if the ADR remained intact. These commission charges and/or dealer spreads are in addition to the Account Fee. Additional information about execution expenses can be found in the Disclosure Statement.

Merrill Lynch seeks to effect transactions correctly, promptly and in the best interests of clients. In the event an error occurs in its handling of client transactions, Merrill Lynch seeks to identify and correct any errors as promptly as possible without disadvantaging the client. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the client. In general, in instances where Merrill Lynch is responsible for effecting the transaction, Merrill Lynch may: (i) reimburse clients for any losses directly resulting from trade errors; (ii) credit to the client any profits directly resulting from such trade errors that are corrected after the settlement of the transaction; or (iii) retain any profits directly resulting from such trade errors that are corrected prior to the settlement of the transaction.

ITEM 13 REVIEW OF ACCOUNTS

Program Account Reviews

An important part of the Program relationship involves providing clients with the opportunity to engage in Program Account reviews periodically in which the client's Representative reviews the client's Program Account's progress toward goals. Because these reviews provide the client with important and necessary information relating to the client's Program Account, the client is strongly encouraged to take advantage of these opportunities to participate in these Program Account reviews with the client's Representative.

At least annually, the Bank will contact clients to request updated information and determine whether there have been any changes in a client's financial situation and investment objectives, and whether the client wishes to impose any reasonable restrictions, or reasonably modify existing restrictions, on the management of the Program Account or reasonably modify existing restrictions. Additionally, on a quarterly basis, the Bank will notify clients in writing to contact the Bank if there have been any material changes in a client's financial circumstances that might affect the manner in which the client's assets should be invested. Clients should promptly inform the Bank in writing of any change in their financial circumstances that might affect the manner in which their assets should be invested. Any such information received that is deemed material or appropriate will be promptly forwarded by the Representative to MAA and, if applicable, any Discretionary Manager that may manage a portion of the client's Program Account. If the changes provided are material in nature, a review of the client's Program Account may be in order.

Representatives will be reasonably available to clients for consultation. In addition, MAA and each Discretionary Manager have agreed to make one or more of their advisory or investment personnel reasonably available for consultation with clients or a joint consultation with their Representative regarding a Strategy or Portfolio, if requested by the client. Clients should contact their Representatives to arrange for a consultation with a Discretionary Manager or MAA.

Client Reports

Under the Program, clients will receive statements of Program Account activity and current holdings on a quarterly or monthly basis, depending on client preference. Clients also may request periodic performance reviews with their Representatives, depending on a client's relationship with the Bank. This review generally includes a presentation of the client's Program Account performance, based on information reflected on the Bank's and/or MAA's records, supplemented by information that may be provided by the client, the Bank, Merrill Lynch, and/or Style Managers, and ongoing comparisons of Program Account performance with selected industry indices and/or benchmarks.

Account statements will be the definitive record of all activity in a Program Account. In the event of any discrepancy between the account statements and any performance reports received, the client account statements will control and prevail.

MAA and its Affiliates may receive (and provide to clients) information about the performance of Style Managers and/or Strategies available through the Program that is not specific to the performance of any client Program Account. Performance results of the Style Managers are generally reported to MAA by third party vendors or the Style Managers, on a standardized basis. While information collected by MAA and its Affiliates regarding Style Managers and/or Strategies is believed to be reliable and accurate, MAA, the Bank and their Affiliates will not necessarily independently review or verify any such information, or be obligated to do so, nor will MAA, the Bank and their Affiliates audit or verify that these results are calculated on a uniform or consistent basis. Clients should understand that:

- Past performance does not guarantee future results;
- Performance may reflect (primarily or solely) management of accounts outside of the Program and the performance of Program Accounts may vary from "composite" performance due to factors such as Program Account size, timing of investments, client investment objectives and reasonable restrictions, the Program's brokerage practices, as described above, and MAA's management of a client's Program Accounts; and
- Client risk parameters or benchmark indices are provided for comparison purposes only and there is no guarantee that they will be met or exceeded.

Trade Confirmations

Clients may elect to receive periodic statements detailing their Program Account activity instead of trade-by-trade confirmations. Periodic statements will contain the same information that would be included in the trade-by-trade confirmations. The client's initial direction regarding receipt of trade-by-trade confirmations will apply to all of the client's Program Accounts, including any changes to and additional Style Managers selected by the client, until such direction is changed. The client's election to receive periodic statements in lieu of trade-by-trade confirmations:

- will not affect the calculation of or amount of the client's Account Fee;
- is not a condition to entering into or continuing participation in the Program; and

- may be rescinded by the client at any time by written notice to the Bank for any of the client's Program Accounts.

The client may request that its Representative provide to the client, at no additional cost, an interim update and further details concerning any transaction effected between periodic statements. Clients also will have access to this information via U.S. Trust Account Access Online. If the client elects to receive periodic statements in lieu of trade-by-trade confirmations, the client may later choose to receive, and the Bank or its Affiliates will provide to the client at no additional cost, any confirmations for transactions effected for up to a one-year period preceding the client's last periodic statement and trade-by-trade confirmations for all subsequent transactions. Confirmations or periodic statements will be sent or made available to the client, MAA, or any Implementing Manager, as applicable and in accordance with applicable law.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

MAA and its Affiliates have business relationships with many investment managers, including those participating in the Program, separate and apart from the Program. For example, Style Managers may direct clients' transactions to Merrill Lynch and receive research, execution, custodial, pricing and other services offered by Merrill Lynch in the normal course of business. Merrill Lynch and its Financial Advisors may receive compensation in connection with such transactions and other services. Clients are encouraged to speak with their Representatives to discuss any questions that they may have about existing or potential conflicts of interest relating to their selected Portfolios or Strategies, including any business relationships that the relevant Funds or Style Managers may have with MAA, Bank of America, Merrill Lynch or their Affiliates or Representatives.

As discussed previously in the section *Other Compensation and Conflict of Interest Considerations - Conflicts of Interest Related to the Selection of Style Managers*, Style Managers may pay, or reimburse MAA or its Affiliates for, various costs relating to the Program and asset management generally.

MAA addresses these conflicts through disclosure to clients in this Brochure and the Program's Disclosure Statement.

Compensation for Client Referrals

MAA or an Affiliate may enter into marketing arrangements with third parties who, for compensation, will provide consulting or other services to MAA in connection with the marketing of MAA's various advisory programs, or otherwise refer prospective clients to MAA. Each such marketing arrangement is or will be governed by a written agreement between MAA or its Affiliate and the third-party, and will be disclosed to clients, as required by law.

MAA or an Affiliate may enter into solicitation arrangements with certain third parties to refer prospective clients to MAA or an Affiliate ("Solicitors"). Generally, the fees paid to Solicitors will be paid from investment advisory fees received and retained by MAA and its Affiliates relating to a client's Program Account. Any such fee will generally be a percentage of the investment advisory fee ordinarily credited to a client's Representative for the applicable account. MAA or its Affiliate will pay this fee to the Solicitor

from the date the client establishes a Program Account for as long as the client's Program Account remains enrolled in the Program and the agreement between MAA or its Affiliate and the Solicitor is effective. If MAA or its Affiliate terminates the agreement with the Solicitor for certain reasons, MAA or its Affiliate may continue to pay the Solicitor for a period of time after termination. Neither the Bank nor MAA will increase the fees a client pays to participate in the Program as a result of MAA's or its Affiliate's payments to a Solicitor.

MAA employees may refer advisory clients to the Bank and Affiliates for products and services. Similarly, employees of the Bank and its Affiliates may refer clients to MAA for advisory services. These referrals may involve the payment of referral fees between the Bank and its Affiliates.

ITEM 15 CUSTODY

MAA does not maintain physical custody of client assets. Generally, the Bank or another Affiliate will maintain custody of securities for Program Accounts. Clients should receive quarterly or monthly account statements from the Bank or its Affiliates or, to the extent client assets are not custodied with the Bank or an Affiliate, other broker-dealer, bank or financial services firm that serves as qualified custodian. Clients should carefully review these statements. Clients who do not receive such account statements are encouraged to follow-up directly with their custodian and request such statements.

To the extent a client receives additional reports from MAA, they are urged to compare these reports to the account statements they receive from the qualified custodian. MAA's reports are generally preliminary and may vary from custodial statements based on accounting procedures, reporting dates, valuation methodologies and other factors. They are not intended to be a substitute for account statements provided by a qualified custodian, and should not be used for official purposes.

ITEM 16 INVESTMENT DISCRETION

MAA generally has discretionary investment authority to implement one or more Strategies in a client's Program Account based on the recommendations of the Strategies' Style Managers. Generally, clients or their authorized representatives who choose to grant MAA discretion sign a Client Agreement to that effect.

MAA has entered into investment manager advisory agreements with a variety of Style Managers, which may or may not be Related Style Managers. A list of the Style Managers available through the Program appears in the Style Manager Expense Rate Supplement to the Disclosure Statement. In general, Style Managers provide advisory services through the Program by furnishing investment recommendations to MAA for one or more Strategies based on model portfolios in accordance with the applicable Strategy Profiles. MAA is responsible for implementing each Strategy based on the advice provided by a Style Manager, except when the Style Manager acts as an Implementing Manager. MAA generally will implement a Style Manager's recommendations for a Strategy without change, subject to any reasonable client-imposed restrictions, cash flow and other considerations. Certain of the Style Managers are Discretionary Managers that provide discretionary investment advisory services to clients that have selected the relevant Portfolio. A Discretionary Manager makes and implements investment decisions for a client's

Program Account in accordance with the Discretionary Manager's Strategy Profile. MAA does not implement investment decisions for any portion of a client's assets that is managed by a Discretionary Manager. However, MAA is responsible for enforcing any client-imposed restrictions for a client's Program Account.

MAA's discretionary authority may be limited by the terms of the Client Agreement, written investment guidelines, any reasonable restrictions imposed by a client, Bank instructions, and MAA's obligation to comply with regulatory requirements. As discussed above, MAA's discretionary authority also may be limited where a client's Program Account is invested with a Discretionary Manager.

ITEM 17 VOTING CLIENT SECURITIES

Unless the client has notified the Bank otherwise, the client authorizes the delegation, on its behalf, of proxy voting authority for all securities that are not Specified Investments, including shares of Registered Funds, held in the client's Program Account, to ISS or a successor proxy voting service selected by the Bank or MAA, provided that the Bank shall provide the client with notice of a change in the proxy voting service selected.

Unless otherwise designated by the client in writing, the client directs MAA to vote proxies and receive other issuer-related material solely with respect to Specified Investments held in the client's Program Account with certain exceptions as noted below. The client also directs MAA to respond to corporate actions, including reorganizations, with respect to securities held in the client's Program Account.

In the event that ISS begins to offer proxy voting services under its applicable policy for a security that was previously a Specified Investment, that security will no longer be a Specified Investment and ISS' authority to vote proxies will extend to such investment and MAA's authority to vote proxies with respect to that security will terminate. In the event a conflict arises with a Specified Investment and MAA is not able to render a vote, then MAA's authority to vote proxies with respect to such security will terminate and a best efforts attempt will be made to revert the authority for such investment to the Bank.

None of the Bank, MAA, ISS or a successor proxy voting service, as the case may be, will vote in the following circumstances:

- The proxy or other relevant materials are not received a sufficient time in advance to allow an appropriate analysis or to allow a vote to be cast by the voting deadline;
- The Bank, MAA, 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 the client; or
- 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.

Neither MAA nor the Bank, as applicable, will vote proxies for any Specified Investments or other proxies for which the Bank has authority to vote, held in the client's Program Account in any instance where MAA or the Bank, as the case may be, is unable to obtain supplemental information that it deems necessary to make an informed decision regarding the manner in which to vote.

Neither the Bank nor MAA will advise or act for the client in any legal matters (other than proxies and class actions, as noted below) for securities held in the client's Program Account, including bankruptcies for which the client needs to decide between a cash or stock settlement or provide other consents, and any documents received with respect to such matters will be sent to the client. The Bank will advise or act for clients in the event of a class action involving securities held in the client's Program Account.

To the extent that instructions regarding the voting of proxies for securities, including Registered Funds, are not received and as permitted by law, the Bank and MAA will comply with the rules of the SEC and applicable self-regulatory organizations relating to such matters.

The client's direction regarding proxy voting will apply to the client's Program Account, including any changes to and additional Portfolios the client selects, until such direction is changed. The client may choose to rescind the proxy voting authority granted to MAA, the Bank, and ISS or a successor proxy voting service, as applicable, at any time.

If the client directs MAA, the Bank, and ISS or a successor proxy voting service to vote proxies, then MAA, the Bank, and ISS or the successor proxy voting service will each exercise the applicable voting authority in its sole discretion without any reservation of authority by the client to direct voting with respect to a specific proxy. MAA and ISS or a successor proxy voting service will each vote proxies in accordance with their respective proxy voting policies and procedures, which are or will be made available to clients by the Bank, and, in the case of MAA's policies and procedures, are summarized in the section below entitled *Summary of Proxy Voting Policies*. ISS proxy voting guidelines and related procedures are updated annually and are available via the Proxy Website.

Summary of Proxy Voting Policies

MAA has written policies and procedures regarding the voting of securities in Program Accounts where it has proxy voting responsibility. These policies and procedures are designed to ensure that proxy voting decisions are made in the best interests of Program 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 clients' Program Accounts.

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 voting committee determines how to vote the proxies of Program clients for whom 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.

While it is expected that MAA generally will seek to vote proxies in a uniform manner for all Program Accounts, the proxy voting committee may determine that the specific circumstances of a Program Account require that the Program Account's proxies be voted differently.

To assist in voting proxies, MAA's 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. The services provided by ISS in connection with the voting of proxies may include, as applicable, in-depth research, voting recommendations (which the proxy voting committee is not obligated to follow), vote execution and recordkeeping.

MAA has adopted specific proxy voting procedures to address potential conflicts of interest such as when proxies relate either to the parent or an Affiliate of MAA or to money management or other clients of MAA. When a potential conflict is identified, the proxy voting procedures require that the proxy voting committee document and consider all relevant facts and circumstances, including the nature of the conflict and the expected economic significance to clients of the items subject to vote. After consideration of such facts and circumstances, the proxy voting committee may choose to manage the potential conflict by:

- Determining that the potential conflict does not apply to MAA and proceeding to vote according to its proxy voting guidelines;
- Retaining an independent fiduciary to advise the proxy voting committee on how to vote;
- Passing the vote to a subcommittee solely consisting of members appointed by the chair of the proxy voting committee;
- Making a best efforts attempt to revert proxy voting authority to the Bank; or
- Not voting in instances where the committee determines that reversion of proxy voting authority and delivery of issuer-related material to the Bank is not possible due to timing or other circumstances.

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; and

- Limiting corporate conduct in some manner that relates to the shareholder's environmental or social concerns.

The 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.

A copy of MAA's proxy voting policies and procedures is available upon request. For a copy or for information on how MAA voted the securities held in their Program Accounts, clients should refer to the Proxy Website or contact their Representative.

ISS Voting Policies and Proxy Voting Guidelines (ISS Voting Policies) and Other Matters.

ISS will vote proxies in accordance with the ISS Voting Policies - Benchmark Policy Recommendations unless another available ISS Voting Policy is elected. ISS Voting Policies are updated annually by ISS and are available via the Proxy Website or upon request. ISS represents to MAA that the ISS Voting Policies are consistent with ERISA standards.

ISS has significant relationships with companies on which ISS also furnishes proxy voting advice to its clients who are shareholders of those companies. Information relating to ISS' significant relationships with companies whose securities are held in a client's Program Account is available by contacting us at dg.msg-proxy@ml.com. Additional information about ISS is available on ISS' website at www.issgovernance.com (currently under "Compliance" then "Due Diligence") or by contacting us at dg.msg-proxy@ml.com. ISS' ADV 2A firm brochure is also available at the SEC's website at www.adviserinfo.sec.gov.

On May 23, 2013, ISS consented to the entry of an administrative order issued by the SEC (the "SEC Order") on matters relating to policies and procedures to prevent the misuse of material, nonpublic proxy voting information of ISS' shareholder advisory clients. A copy of the SEC Order is available on the SEC's website at www.sec.gov. In the SEC Order, ISS was censured and ordered: (1) to pay a civil money penalty in the amount of \$300,000; (2) to cease and desist from committing or causing any violations and any future violations of Section 204(A) of the Advisers Act; and (3) to comply with the undertakings enumerated in the SEC Order. These ISS undertakings in the SEC Order were, among other things: (1) to retain, at ISS' expense, an independent consultant not unacceptable to the SEC staff (the "Consultant") to conduct a comprehensive review of ISS' supervisory and compliance policies and procedures reasonably designed to ensure that its proxy voting services business complies with the Advisers Act in connection with the treatment of confidential information, communications with proxy solicitors and gifts and entertainment; (2) to require the Consultant to submit a report that includes recommendations for any changes in or improvements to ISS' supervisory and compliance policies and procedures (the "Report"); and (3) to adopt and implement all recommendations included in the Report. In determining to accept ISS' settlement offer, the SEC considered remedial acts promptly undertaken by ISS and cooperation afforded the SEC staff.

In connection with the SEC Order against ISS, supplemental reviews of ISS and its policies and procedures were conducted and the results of such reviews were presented to the MAA Proxy Committee. Based upon these reviews and continued ongoing monitoring and evaluation of ISS, the MAA Proxy Committee determined to continue to make available ISS as the proxy voting service provider in the Program for those Program clients who have elected, and who will elect, the delegation of their proxy voting authority to ISS.

ITEM 18 FINANCIAL INFORMATION

Not applicable.

ITEM 19 ADDITIONAL INFORMATION

The Volcker Rule, part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which was enacted to regulate certain activities and investments of financial institutions, contains a provision known as “Super 23A” that restricts, with certain exemptions, the types of transactions that banks and their affiliates can engage in with certain clients defined as “covered funds.” Under these regulations, banks and their affiliates are prohibited from lending and engaging in other “covered transactions” with entity clients deemed to be covered funds if the bank (either itself or through its affiliates), among other things, acts as an investment advisor or manager to such clients, including through an investment service, like Select Portfolio Solutions. In general, if an entity client is a covered fund, any outstanding margin or other extension of credit by the Bank or its affiliates will need to be repaid and any margin or lending capability removed from the account, or the client must terminate the investment advisory relationship and utilize a brokerage or custody relationship with the Bank or its affiliates for its investments. Certain other transactions between the Bank or its affiliates and the entity client will also be prohibited.

GLOSSARY

“**Account Fee**” means the IM&T Fee and the Style Manager Expense.

“**ADR**” means American Depositary Receipt, which is a receipt for shares of a foreign company held by a U.S. financial institution that entitles the holder to rights and obligations of the underlying shares, including dividends and capital gains and losses.

“**Advisers Act**” means the Investment Advisers Act of 1940, as amended.

“**Affiliate**,” solely for purposes of this Brochure, means a company controlled by, in control of, or under common control with, another company.

“**Bank**” means Bank of America, N.A.

“**Bank of America**” means Bank of America Corporation.

“**Bank of America Merrill Lynch Retirement Services**” means the group providing specialized retirement account services, which operates through the Bank and other subsidiaries of Bank of America.

“**BlackRock**” means BlackRock, Inc. and its Affiliates.

“**Brochure**” means the Form ADV, Part 2A (including any amendments or supplements) of MAA relating to the advisory services it provides in connection with the Program, as updated from time to time.

“**Client Agreement**” means the investment services agreement, investment management agreement, or other similar agreement between the client and the Bank, or authorization by the client or the client’s legal representative, as such may be amended or supplemented from time to time.

“**Client Information Summary**” means the information collected by the client’s Representative at the time of the client’s enrollment in the Program, as it may be amended from time to time.

“**Code of Ethics**” means Investment Adviser Code of Ethics.

“**Disclosure Statement**” means the disclosure statement, including any supplements and as updated from time to time, for Select Portfolio Solutions (the Program).

“**Discretionary Manager**” means a Style Manager that has full discretion to determine which securities to buy, sell or hold for the client’s Program Account, and which broker-dealer should be selected to effect transactions for the client’s Program Account, subject to any direction to trade with Merrill Lynch or its Affiliates.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.

“**ERISA Plan**” means a plan subject to the fiduciary responsibility provisions of ERISA or any other entity deemed to hold assets of such a plan.

“**ETF**” means a Registered Fund that is an exchange-traded fund.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**Funds**” means investment companies, including mutual funds, money market funds, closed-end funds and exchange-traded funds (ETFs) as well as other pooled investment vehicles, including hedge funds, private equity funds and real estate investment trusts.

“GWIM CIO” means the Global Wealth and Investment Management Chief Investment Office. IMT

“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.

“ISS” means Institutional Shareholder Services, Inc.

“MAA” means Managed Account Advisors LLC.

“Merrill Lynch” means Merrill Lynch, Pierce, Fenner & Smith Incorporated.

“Portfolio” means one or more Strategies within a single Program Account.

“Program” means Select Portfolio Solutions, an investment service offered by the Bank.

“Program Account” means each client account the assets of which are invested in the Program.

“Proxy Guidelines” means ISS’ or a successor proxy voting service’s proxy voting guidelines and related procedures applicable to Program Accounts.

“Proxy Website” means <http://vds.issproxy.com/3584> upon which the proxy voting policies and procedures of the proxy voting service and MAA will be available. The Proxy Website also includes a description of Specified Investments and information on how MAA or the proxy voting service, as applicable, voted specific proxies.

“Registered Fund” means any Fund that is registered under the Investment Company Act of 1940.

“Related Company” means a company that is an Affiliate of the Bank or in which the Bank or an Affiliate of the Bank has a material economic interest.

“Related Fund” means a Fund sponsored or advised by a Related Company.

“Related Money Market Fund” means a registered money market fund managed by a Related Company

“Related Style Manager” means a Style Manager that is a Related Company, as specified in the Strategy Profile for the Style Manager.

“Representative” means the client’s representative from U.S. Trust or Bank of America Merrill Lynch Retirement Services.

“Retirement Account” means an ERISA Plan, a U.S. tax-qualified plan of self-employed persons, a U.S. individual retirement account, or any other plan, arrangement or entity subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended.

“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 of 1940.

“SEC” means the Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended.

“SIPC” means Securities Investor Protection Corporation.

“Solicitors” means third-party entities that MAA or an Affiliate has entered into solicitation arrangements with to refer prospective investment advisory clients to MAA or an Affiliate.

“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 Proxy Website. A list of Specified Investments will be made available upon request.

“Strategy” means one or more investment styles or disciplines that may be selected for a client’s account, either individually or in combination with other Strategies, and that may include specific asset classes or asset types such mutual funds, ETFs or other Funds or exchange-traded notes (ETNs), in each case as determined by the Bank or MAA from time to time.

“Strategy Profile” means a written document that contains a description of a Strategy offered in the Program and may contain other information relating to the Strategy or Style Manager.

“Style Manager” means an investment adviser, which may be a Related Company that provides MAA with advice regarding the securities or other property to be purchased or sold in a Program Account.

“Style Manager Expense” means the portion of the client’s Account Fee for the Style Manager’s services that is based on Program Assets allocated to the Style Manager’s Strategy. The Style Manager Expense rate varies depending on the Style Manager.

“Style Manager Related Fund” means a Fund sponsored or advised by a Style Manager (including a Related Style Manager) or its Affiliates.

“Unaffiliated Investment Firm” means a bank, broker or dealer other than a Related Company.

“Unrelated Money Market Fund” means a registered money market fund that is not managed by Merrill Lynch or a Related Company.

“U.S. Trust” means the fiduciary business of Bank of America, which operates through the Bank and other subsidiaries of Bank of America.

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