



Merrill Lynch Research Services

BROCHURE

Merrill Lynch, Pierce, Fenner & Smith Incorporated
One Bryant Park
New York, NY 10036
(800) 637-7455
www.ml.com

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

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

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

March 26, 2018

TABLE OF CONTENTS

TABLE OF CONTENTS	II
ADVISORY BUSINESS	4
Research Services.....	4
Impersonal Investment Advice.....	5
Wrap Fee Programs	5
Assets Under Management.....	5
FEES AND COMPENSATION	5
Calculation and Deduction of Advisory Fees	5
Other Fees and Expenses	5
Prepaid Fees	6
Compensation for the Sale of Securities.....	6
Conducting Business Through Merrill Lynch	6
Limitations on Merrill Lynch's Role and Research Services.....	6
Sources of Revenue.....	7
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	7
TYPES OF CLIENTS	7
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	7
Client Responsibilities	7
Risk Disclosure	7
Material Risks For Significant Investment Strategies.....	8
DISCIPLINARY INFORMATION	9
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	11
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	12
Conflicts of Interest and Information Walls.....	12
Code of Ethics	13
Participation or Interest in Client Transactions	13
Securities Trading by Merrill Lynch and Our Personnel	14
BROKERAGE PRACTICES.....	14
REVIEW OF ACCOUNTS	14
CLIENT REFERRALS AND OTHER COMPENSATION.....	15



Other Compensation..... 15

Compensation for Client Referrals 16

CUSTODY 16

INVESTMENT DISCRETION 16

VOTING CLIENT SECURITIES 16

FINANCIAL INFORMATION 16



ADVISORY BUSINESS

This Brochure relates to the Merrill Lynch Research Services offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch,” “we,” or “us”), a wholly-owned subsidiary of Bank of America Corporation (“Bank of America”). Merrill Lynch is a global investment banking firm. Merrill Lynch offers a broad range of brokerage, investment advisory, retail and other services and has been registered with the Securities and Exchange Commission (“SEC”) as an investment adviser since 1978. For purposes of this Brochure, “you” refers to the client.

RESEARCH SERVICES

Merrill Lynch offers research reports, other products, and services (“Research Services”) provided by its Global Research group (“Research”) to a wide variety of Merrill Lynch clients. Under certain circumstances, we provide these Research Services for a fee to certain institutions upon their request. We do not offer Research Services for a fee to individual client.

Research Services may include (but are not limited to) any or all of the following types of research products and services, as detailed in a schedule of services under the Terms and Conditions provided to clients and any Memorandum of Understanding or other document detailing payment and services (collectively the “Services Documents”):

- Research reports produced by research analysts;
- Other research-related correspondence and communications from research analysts relating to research reports produced by research analysts; and
- Access to research analysts in connection with research conferences, calls with clients and client meetings.

Research Services do not include any services or communications provided by institutional sales associates (including any services or communications that may refer to or be based on Research Services).

The delivery of Research Services does not include trade execution, trading or brokerage services provided to clients. Our advisory relationship with our clients is strictly limited to the provision of Research Services, and any trades, transactions or orders that may be executed, routed, or otherwise processed through us on behalf of clients will be handled by us (or our affiliates) solely in our capacity as a broker-dealer. Your relationship with us in connection with Research Services commences only after acceptance of all Services Documents, and Research Services are limited only to the Research Services described above.

We are not providing, through Research Services or any related activities or services that we may be engaged in or provide after acceptance of the Services Documents, any investment advice with respect to your investment portfolio or the management of assets. If you were to engage in securities transactions with us, we will not be acting as an investment adviser with respect to such transactions absent a specific written agreement by us to so act.

Research Services constitute impersonal investment advice, and we have no liability whatsoever for any investment decision, or results thereof, that you or any permitted user makes under the Services Documents in connection with the use of Research Services or any information or data provided therein or otherwise obtained or derived therefrom. However, the limitation contained in this paragraph will not in any way constitute a waiver or limitation of any rights accorded to you under state or federal securities laws for the advisory services provided under the Services Documents.

Research Services will continue in effect until terminated at any time according to the terms of the Services Documents.



Research Services are offered only to institutional clients. In addition to Research Services, Merrill Lynch offers a wide variety of investment advisory services. These include, but are not limited to, the following: Merrill Lynch Investment Advisory Program, Merrill Lynch Consults®, Merrill Lynch Fiduciary Services, Merrill Lynch Institutional Investment Consulting Program, Merrill Lynch Personal Advisor® Program, Merrill Lynch Personal Investment Advisory® program, Merrill Lynch Strategic Portfolio Advisor® Service, and Merrill Lynch Unified Managed Account. Other advisory services are offered by Merrill Lynch affiliates. More information about these programs and services is contained in the applicable Merrill Lynch brochure and is available upon request or through the SEC's website at http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx. Special arrangements with certain clients to provide particular or unique services for clients of a specific financial advisor or branch office may also be established.

IMPERSONAL INVESTMENT ADVICE

Research Services do not include any evaluation or recommendation by Merrill Lynch of the investment guidelines or security selection for a client's investment portfolio or the management of assets. Research Services are solely impersonal investment advice.

WRAP FEE PROGRAMS

We do not make Research Services available through wrap fee programs.

ASSETS UNDER MANAGEMENT

As of December 29, 2017, Merrill Lynch had assets under management of \$819.82 billion, of which \$259.14 billion was managed on a discretionary basis and \$560.68 billion was managed on a non-discretionary basis. There are no assets under management in connection with the provision of Research Services.

FEES AND COMPENSATION

Fees and other requirements may vary as a result of prior policies, or your overall relationship with us. Fees for the provision and delivery of Research Services are separately negotiated with each client. Additional components or variations of service may be available if you request and we agree, and will require the payment of additional fees.

Fees will be determined and agreed to by us and you prior to accepting the Services Documents, and will be reflected in a schedule to the Services Documents. The fees will be payable as described in the Services Documents, but generally are required to be paid quarterly.

CALCULATION AND DEDUCTION OF ADVISORY FEES

Unless we agree otherwise, fees for Research Services are payable in accordance with the Services Documents, but generally are required to be paid as invoiced.

OTHER FEES AND EXPENSES

Should you decide to use or purchase our products or services or those of an affiliate, we, our affiliates and certain of our employees will receive fees and compensation for these products and services. Such fees and compensation may include commissions, spreads, markups, or markdowns and mutual fund advisory and distribution fees.



In addition to fees for Research Services, if we are required to collect or pay any sales, gross receipts, excise or use taxes that are levied on us for providing Research Services, then you will be obligated to pay or reimburse us for such taxes.

PREPAID FEES

We do not charge fees for Research Services in advance.

COMPENSATION FOR THE SALE OF SECURITIES

Our personnel involved in Research Services arrangements are not compensated based on the sale of securities in connection with providing services for Research Services.

We, our affiliates and employees benefit from the compensation paid to us. Research clients may but are not required to utilize any of our brokerage or other investment advisory services. That said, you may use other products or services available from or through Merrill Lynch and, in such case, pay additional compensation. Employees in a sales role who offer these services receive incentive compensation from us. This practice creates a potential conflict of interest that may give Pierce and Pierce's sales representatives an incentive to recommend other advisory services based on the compensation received, rather than on your needs. See section entitled *Participation or Interest in Client Transactions* for more information about the receipt of compensation by us for the sale of securities and other investment products. We address this conflict through disclosure in this Brochure. In addition, Research has extensive policies regarding potential conflicts of interest affecting Research personnel.

CONDUCTING BUSINESS THROUGH MERRILL LYNCH

You are neither required to act on any of the research information provided through Research Services, nor are you required to transact business with us if you choose to utilize any information or implement any strategies, recommendations or other ideas contained in Research reports or other Research materials obtained in connection with Research Services.

As noted above, Research Services are completed upon the delivery thereof. Thereafter, if you choose to implement any of the investment recommendations or strategies made in Research Services through Merrill Lynch, we will be acting solely as a broker-dealer, not as an investment adviser (unless otherwise agreed in writing). In executing transactions in accordance with your instructions, we, acting as a broker-dealer, may act as agent or as principal for our own account.

LIMITATIONS ON MERRILL LYNCH'S ROLE AND RESEARCH SERVICES

We are dually registered as a broker-dealer and an investment adviser, and we offer both brokerage and investment advisory services. To the extent that we may be deemed to be acting as an investment adviser under the Services Documents in connection with Research Services, your relationship with us pursuant to Research Services is strictly limited to the provision of Research Services, as described in the Services Documents, and does not extend to any brokerage, or other investment advisory or other arrangements or services that you may have, or enter into, with us or any of our affiliates. If you desire to engage us for additional services, whether brokerage, investment advisory or otherwise, you should carefully consider the differences among these types of services before using them and must enter into a separate agreement for such services. Any such arrangement will be separate and apart from any relationship created by the Services Documents.

We are also a broker-dealer and offer brokerage services to clients, including trade execution and custody. There are important differences between brokerage and investment advisory services, including the type of advice and assistance provided, the fees charged, and the rights and obligations of the parties. Brokerage



services are regulated under different laws and rules than advisory services. Among our many obligations as a broker-dealer, we will execute transactions upon your instruction, deal fairly with you, and make recommendations that are suitable in light of your stated risk tolerance, financial needs and investment objectives. As an investment adviser, we must act solely in your best interest, provide certain specific disclosures and generally act in accordance with the standards of a fiduciary as that term is interpreted under applicable law. Of course, the above is an exceedingly brief summary, and numerous laws and regulations apply to each capacity as well as to the specific products or services being provided. It is important for you to understand these differences, particularly when determining which service or services you might select. You should carefully read all the applicable agreements and disclosures for any other services you are considering.

SOURCES OF REVENUE

As a broker-dealer, we offer a wide variety of securities and brokerage services. Our principal sources of income, which include commissions and other compensation for the sale of investment products, are derived from our business as a broker-dealer. Less than 1% of our revenues are expected to be generated from Research Services on an annual basis.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Neither Merrill Lynch nor our employees receive performance-based fees for Research Services. The investment recommendations provided in connection with Research Services do not raise the conflicts associated with the side-by-side management of accounts.

TYPES OF CLIENTS

We provide Research Services when requested by institutional clients, such as pension funds, mutual funds, insurance companies, hedge funds, private equity funds, trusts and banks, and/or their consultants and investment advisers. Research clients are not required to open or maintain an account with us in order to receive Research Services.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Research Services are impersonal in nature and cover a broad range of securities and other investments. Research reports and other Research Services may be based on one or more of the following methods of analysis: fundamental, quantitative, technical, strategic, macro, or economic. Research Services do not provide any investment advice relating to your investment portfolio or the management of assets.

Research analysts perform analysis based on publicly available market, industry, and company data. Research analysts may also meet or speak with our management and third parties to gather information and data for the provision of Research Services, all as allowable under applicable federal securities regulations.

CLIENT RESPONSIBILITIES

We will only provide Research Services according to the terms of the Services Documents.

Any information relating to the tax status of financial instruments discussed in Research Services reports is not intended to provide tax advice or to be used by anyone to provide tax advice. You are urged to seek tax advice based on your particular circumstances from an independent tax professional.

RISK DISCLOSURE

You should understand that in providing Research Services, we may also rely on third party sources for



information that we believe to be reliable in producing Research Services reports, but in no way do we guarantee the quality, accuracy, and/or completeness of such third party information or Research Services or any other information or data related thereto or you or any other authorized user or other person or entity otherwise obtain or derive in connection with the use of Research Services. We make no express or implied warranties, and disclaim all warranties of merchantability or fitness for a particular purpose or use, with respect to any part of Research Services or any other information or data related thereto. Without limiting any of the foregoing, in no event will we or any of our partners, affiliates, employees, officers, directors, or agents have any liability for an indirect, punitive, special, or consequential damages (including lost profits) to you or any other person or entity, even if we have been notified of the possibility of such damages.

If you choose to implement any of the investment recommendation or strategies made in Research Services, you will be subject to investment risk and you may lose money. You should further understand that all investments involve risk (the amount of which may vary significantly), that performance of any kind can never be predicted or guaranteed and that the value of your portfolios will fluctuate due to market conditions and other factors.

MATERIAL RISKS FOR SIGNIFICANT INVESTMENT STRATEGIES

The following is a summary of the material risks associated with Research Services:

- Information provided in connection with Research Services is for general use only. Neither the information nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities or other investment or any options, futures, or other derivatives related to securities or investments. Research Services do not provide personalized investment advice and the information provided by Research Services does not take into account the specific investment objectives, financial situation, or the particular needs of any specific person.
- Investments in general and, derivatives, in particular, involve numerous risks, including, among others, market risk, counterparty default risk, and liquidity risk. No security, financial instrument or derivative is suitable for all investors. In some cases, securities and other financial instruments may be difficult to value or sell and reliable information about the value or risks related to the security or financial instrument may be difficult to obtain. Investors should note that income from such securities and other financial instruments, if any, may fluctuate and that price or value of such securities and instruments may rise or fall and, in some cases, investors may lose their entire principal investment. Past performance is not necessarily a guide to future performance. Levels and basis for taxation may change.
- We may change our views and opinions expressed in Research Services and our views and opinions are subject to change without notice. We have exclusive authority to determine the Research Service's coverage of companies, markets and other subjects and topics of Research Services and we can terminate, limit or suspend coverage of any such company, market, subject or topic for any or no reason. We may limit, suspend or terminate the Research Services in connection with regulatory restrictions or our policies.
- We are aware that the implementation of the ideas expressed in the report may depend upon your ability to "short" securities or other financial instruments and that such action may be limited by regulations prohibiting or restricting "short selling" in many jurisdictions. You are urged to seek advice regarding the applicability of such regulations prior to executing any short idea contained in the report.



- Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in the report. Investors in such securities and instruments, including ADRs, effectively assume currency risk.
- We or our affiliates are regular issuers of traded financial instruments linked to securities that may have been recommended in the Research Services report. We or our affiliates may, at any time, hold a trading position (long or short) in the securities and financial instruments discussed in the research report.
- We, through business units other than Research, may have issued and may in the future, issue trading ideas or issue market commentary that are inconsistent with, and reach different conclusions from, the information presented in the Research Services report. Such ideas reflect the different time frames, assumptions, views and analytical methods of the persons who prepared them, and we are under no obligation to ensure that such other trading ideas are brought to the attention of any recipient of such research report.
- Research reports are based on public information that may not reflect information known to, professionals in other areas of our business, including investment banking personnel.
- Securities rated below investment grade are speculative investments.
- FX trading and strategies involve significant risk and investor must be able to absorb substantial losses.
- Employing any listed option strategy is a finite strategy. There are many risks, the most severe of which is the total loss of capital invested and delivery/assignment risk, all of which can occur in a short period.
- Research reports may contain discussions and/or investment opinions relating to securities, financial instruments and/or issuers that are no longer current.

DISCIPLINARY INFORMATION

The following is a summary of certain adverse legal and disciplinary events and regulatory settlements that may be material to your decision of whether to retain us for your investment advisory needs. Certain disclosures below relate to disciplinary events that occurred with predecessor firms, Banc of America Investment Services, Inc. ("BAI") and Banc of America Securities LLC ("BAS"), which merged with MLPF&S in the 2009-2010 time period. You can find additional information regarding these settlements in Part 1 of Merrill Lynch's Form ADV at: http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx.

On June 16, 2014, MLPF&S, without admitting or denying the findings, entered into a FINRA settlement relating to its failure to have an adequate supervisory system to ensure that certain clients received sales charge waivers for purchases of certain mutual funds' Class A shares which affected certain retirement accounts and certain clients with a particular type of brokerage account. This settlement resulted from MLPF&S self-identifying certain of these issues. MLPF&S consented to the imposition of a censure and a fine of \$8 million and agreed to provide additional reimbursement to the agreed upon impacted clients and has reimbursed all such impacted clients.

On June 21, 2012, MLPF&S, without admitting or denying the findings, entered into a FINRA settlement related to the following: (1) failure to have an adequate supervisory system around billing processes for certain investment advisory programs and, as a result, overcharging certain client accounts during the 2003-2011 time period (client accounts impacted were less than 5% of its total advisory accounts and the aggregate fee overcharge amount was less than 1/2 of 1% (approximately \$32 million) of the total advisory



fees billed during that period); (2) failure to send contemporaneous or periodic trade confirmations to certain client accounts for ten investment advisory programs; (3) having inaccurate or incomplete trade confirmations for certain mutual fund transactions by failing to state trade capacity (agent or a principal) on trade confirmations and account statements; (4) failure to deliver (directly or through a vendor) proxy materials to certain clients or to their designated investment advisers and failure to have an adequate supervisory system to detect this failure (clients impacted constituted less than 1% of its clients during the relevant period); and (5) failure to send margin risk disclosure statements and/or business continuity plans to certain clients upon the opening of their accounts (clients impacted were less than 1% of its clients during the relevant period). In determining the appropriate sanctions, FINRA considered MLPF&S' internal review through which it identified the violations, the remedial measures that it took to correct its systems and procedures, and its efforts to provide remediation to affected clients. MLPF&S consented to the imposition of a censure and a fine of \$2.8 million. All overcharged accounts were reimbursed.

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

On June 6, 2009, BAI and BAS, two of our predecessor firms, were enjoined by the United States District Court for the Southern District of New York from violating, directly or indirectly, Section 15(c) of the Exchange Act. The injunction was the result of an SEC complaint alleging that BAI and BAS had violated Section 15(c) of the Exchange Act by allegedly misleading customers about the nature and risks associated with auction rate securities ("ARS"). Without admitting or denying the allegations, BAI and BAS entered into a consent decree and agreed to a series of undertakings designed to provide relief to certain individual investors. On January 10, 2012, MLPF&S agreed to settlements with the Illinois Securities Department (for alleged activities of BAS and BAI, its predecessors by merger) and the North Carolina Department of the Secretary of State, Securities Division (for ARS activities of MLPF&S) involving the marketing and sale of ARS. In both actions, it was alleged that the inappropriate marketing and sales of ARS occurred without adequately informing certain customers of the increased risks of illiquidity associated with ARS that constituted an occurrence of dishonest and unethical practices in the offer and sale of securities and failure to supervise. In the Illinois action, MLPF&S agreed, among other things, to repurchase at par certain illiquid ARS and to pay a total fine of \$1,578,321 to the State of Illinois out of a total civil penalty of \$50 million that was to be distributed among the other state regulator parties to an ARS-related consent order. With respect to the North Carolina action, MLPF&S agreed, among other things, to repurchase at par certain illiquid ARS held by certain of its clients and to pay a total fine of \$3,193,552 to the North Carolina regulator representing its portion of a total civil penalty of \$125 million that was to be distributed among the other state regulator parties to an ARS-related consent order.

On March 11, 2009, the SEC issued an order against MLPF&S alleging that from 2002 to 2004, several of its financial advisors permitted day traders to hear confidential information regarding MLPF&S institutional customers' unexecuted orders as they were transmitted over the internal squawk box system. According to the SEC, MLPF&S lacked written policies or procedures to limit access to the equity squawk box, to track which employees had access to the equity squawk box or to monitor employees' use of the equity squawk box in violation of Section 15(f) of the Exchange Act and Section 204A of the Advisers Act. Without admitting or denying the SEC's findings, MLPF&S consented to the entry of a cease and desist order as to violations of these provisions, a censure and the payment of a \$7 million civil money penalty. It was obligated to comply with certain undertakings regarding the enhancement of certain policies and procedures.

On January 30, 2009, the SEC issued an order against MLPF&S regarding the Merrill Lynch Consulting Services program and the offering of those services through a Florida branch office for a period of several years concluding in 2005. The Order found that material misrepresentations had been made and certain conflicts of interest not disclosed, and that MLPF&S had not maintained adequate records or reasonably supervised certain Florida investment advisory representatives. Without admitting or denying the non-jurisdictional findings, MLPF&S consented to a censure, to cease and desist from violations of sections 204



and 206(2) of the Advisers Act and its Rule 204-2(a)(14), and a fine of \$1 million. In accepting the settlement, the SEC noted the voluntary and significant remedial acts promptly undertaken by MLPF&S.

On May 1, 2008, BAI, one of our predecessor firms, and Columbia Management Advisors, LLC, an Affiliate of BAI at the time ("Columbia"), without admitting or denying the findings, consented to an SEC administrative order relating to (1) BAI's alleged failure to disclose to clients that in selecting investments for discretionary mutual fund wrap fee accounts, it favored two mutual funds managed by Columbia and (2) Columbia's allegedly willful acts to aid and abet and cause such acts. BAI and Columbia consented to a censure and to cease and desist from committing or causing violations and future violations of Sections 17(a) (2) and 17(a) (3) of the Securities Act, Sections 206(2), 206(4) and 207 of the Advisers Act and Advisers Act Rule 206(4)-1(a) (5). In addition, BAI was ordered to pay an aggregate amount of \$793,773 to certain entities specified in the Order and penalty of \$2 million to the SEC. Columbia was ordered to pay an aggregate amount of \$516,382 to certain entities specified in the Order, and a fine of \$1 million. BAI also agreed to certain undertakings contained within the Order.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Merrill Lynch, an indirect wholly-owned subsidiary of Bank of America, is a leading global investment banking firm, registered broker-dealer, and investment adviser. 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. In July 2015, Bank of America announced a decision to separate the retail and institutional broker-dealer activities currently operating through MLPF&S into two distinct legal entities. Retail customers will continue to be serviced through MLPF&S, while institutional clients currently transacting through MLPF&S will move to a new broker-dealer entity, BofAML Securities, Inc., which is also a wholly-owned indirect subsidiary of Bank of America. The migration of institutional broker-dealer activities to BofAML Securities, Inc. is subject to regulatory approvals and is intended to conclude in 2018. As a registered investment adviser, Merrill Lynch completes a Form ADV, which contains additional information about itself, Bank of America and their affiliates. Information is available through publicly available filings at the SEC or at http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx.

For purposes of Form ADV Part 2, certain Merrill Lynch management persons are registered as registered representatives or associated persons of Merrill Lynch. In the future, certain Merrill Lynch personnel may be considered management persons and, as such, may be registered, or have applications pending to register, as registered representatives and associated persons of Merrill Lynch to the extent necessary or appropriate to perform their job responsibilities.

Bank of America, through its subsidiaries and affiliates, provides broker-dealer, investment banking, financing, wealth management, advisory, asset management, insurance, lending and related products and services on a global basis. These products and services include: securities brokerage, trading, and underwriting; investment banking, strategic advisory services (including mergers and acquisitions), and other corporate finance activities; wealth management products and services including financial, retirement, and generational planning; asset management and investment advisory and related record-keeping services; origination, brokerage, dealer and related activities in swaps, options, forwards, exchange-traded futures,



other derivatives, commodities, and foreign exchange products; securities clearance, settlement financing services, and prime brokerage; private equity and other principal investing activities; proprietary trading of securities, derivatives, and loans; banking, trust, and lending services, including deposit-taking, consumer and commercial lending, including mortgage loans, and related services; insurance and annuities sales and research across the following disciplines: global equity strategy and economics, global fixed-income and equity-linked research, global fundamental equity research, and global wealth management strategy. Bank of America is subject to the reporting requirements of the Exchange Act and additional information about Bank of America can be found in publicly available filings with the SEC.

We, through our sales representatives, may suggest or recommend that clients, including Research Services clients, use Merrill Lynch's securities account, execution, and custody or other services, or such services of an affiliate. Similarly, sales representatives may suggest or recommend that clients purchase Merrill Lynch's products or products of an affiliate. Where you use or purchase Merrill Lynch's or our affiliate's services or products, we and our affiliates will receive fees and compensation. Sales representatives may, as permitted by applicable law, receive compensation (the amount of which may vary) in connection with these products and services.

Merrill Lynch 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 Merrill Lynch and its sales representatives or with respect to their compensation. It is your responsibility to determine whether any such Merrill Lynch business relationship creates a conflict of interest, to implement appropriate policies and procedures for the disclosure and handling of such matters and to resolve any such conflicts in its best interest.

We address these conflicts in a variety of ways, including disclosure of various conflicts in this Brochure. In addition, we have established a variety of restrictions, procedures, and disclosures designed to address potential conflicts of interest – both those arising between and among client accounts as well as between client accounts and our business.

We do not recommend or select other investment advisers in connection with Research Services.

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

We have adopted an Investment Adviser Code of Ethics (the “Code of Ethics”) covering personnel who are involved in the operation and offering of Research 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 we follow in conducting our business with integrity and professionalism. Each Code of Ethics covers such topics as the:

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

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

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

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

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. We also act as a broker and/or dealer in the purchase and sale of mutual funds, money market instruments, government securities, high-yield bonds, municipal securities, financial futures contracts and options. We and other affiliates also conduct the futures business and foreign exchange activities. We operate the firm’s U.S. retail branch system, and also provide financing to clients, including margin lending and other extensions of credit as well as a wide variety of financial services, such as securities clearing, retirement services and custodial services. As a result of the involvement in multiple business activities, we and our employees may have interests unrelated to Research clients which may give rise to potential conflicts of interest, including those discussed below. This discussion does not seek to identify all actual or potential conflicts. Information about certain additional conflicts is described throughout this Brochure and in many of the contracts and offering documents that govern the specific products and services we offer.

We, through our sales representatives, may suggest or recommend that Research Services clients also use other Merrill Lynch products or services, or products or services of an affiliate. Where Merrill Lynch’s or our affiliate’s services are used or products are purchased by clients, we and our affiliates will receive fees and compensation. Sales representatives may, as permitted by applicable law, receive compensation (the amount of which may vary) in connection with these products and services. Compensation received in connection with clients’ purchase or sale of stocks, bonds, mutual funds, other securities or insurance products through us or our affiliates may include commissions, spreads, markups and markdowns, and distribution or other fees. We will also benefit from the possession or use of free credit balances in client accounts, subject to the restrictions imposed by Rule 15c3-3 under the Exchange Act.



As a broker-dealer effecting transactions on behalf of clients, including those clients who receive Research Services, we or an affiliate may act as agent or as principal for our own account, as permitted by applicable law. Similarly, we or an affiliate may, in transactions involving such clients' securities, act as agent while also representing another client on the other side of the transaction. In addition, we or our affiliates may have a position in, or enter purchase or sale orders for, securities recommended to clients in the normal course of our business as a broker-dealer. We and/or our affiliates may profit from these positions or transactions in securities.

We, acting in our broker-dealer capacity, may recommend that Research Services clients invest in a variety of limited partnerships and limited liability companies, for which certain of our affiliates may act as general partners or managing members. The investments of the limited partnerships may vary but include, without limitation, securities, real estate and futures.

We address these conflicts through disclosure in this Brochure. In addition, we have established a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest – both those arising between and among client accounts as well as between client accounts and our business. For example, our personnel also are subject to personal trading restrictions as detailed in our policies and procedures and Code of Ethics. These policies and procedures and the Code of Ethics require our access persons to pre-approve certain securities transactions, disclose their investment accounts, and provide or cause Merrill Lynch to receive annual holdings reports and quarterly transaction reports.

SECURITIES TRADING BY MERRILL LYNCH AND OUR PERSONNEL

We and our affiliates act in a variety of capacities to a wide range of clients. From time to time in the course of those duties, confidential information may be acquired that cannot be divulged or acted upon for advisory or other clients. Similarly, we may give advice or take action with regard to certain clients, including Research Services clients, which may differ from that given or taken with regard to other clients. This includes the advice given or actions taken with respect to certain securities or investment managers. In some instances, the actions taken by affiliates with respect to similar services and programs may conflict with the actions taken by us. 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.

In addition, we or our affiliates may have a position in or enter into "proprietary" transactions in securities purchased or sold for clients in the normal course of our business as a broker-dealer. We or our affiliates may benefit from those securities positions or transactions.

Many of the conflicts related to participation or interest in client transactions and personal trading are less pronounced in the context of Research Services. We nevertheless attempt to address conflicts of interest through disclosure in this Brochure and other disclosure documents. In addition, we have established a variety of restrictions, procedures, and disclosures designed to address potential conflicts of interest – both those arising between and among client accounts as well as between client accounts and our business. For example, our personnel also are subject to personal trading restrictions as detailed in our policies and procedures and Code of Ethics. These policies and procedures and the Code of Ethics require our access persons to obtain pre-approval for certain securities transactions, disclose their investment accounts, and provide or cause Merrill Lynch to receive annual holdings reports and quarterly transaction reports.

BROKERAGE PRACTICES

We do not select broker-dealers or engage in securities transactions in connection with Research Services.

REVIEW OF ACCOUNTS



Research Services do not provide any personalized investment advice with respect to our client's investment portfolio or the management of assets. Accordingly, there are no account reviews. We do not provide regular reports in connection with Research Services. That said, we will make available to our clients research reports and other research products in accordance with the Services Documents.

CLIENT REFERRALS AND OTHER COMPENSATION

OTHER COMPENSATION

We and our affiliates may have a variety of banking, financial, or service relationships with the unaffiliated issuers of the securities covered by Research Services. These relationships may include acting as an underwriter for the issuers of the securities covered by Research Services. In such relationships, we and our affiliates may receive compensation. We disclose in our research reports, in accordance with applicable law and regulation, our conflicts of interest and those of our research analysts that are or may be material in the context of the relevant report. In addition, Research has extensive policies and procedures regarding potential conflicts of interest affecting Research personnel. Key provisions of the policies and procedures currently include the following:

- **Purpose, Content, and Objectivity of Research.** All research published by Research is required to be impartial and to be produced in conditions where conflicts that might impact on the objectivity of the Research Services are properly managed. Research analysts are required to observe high standards of integrity and ethical behavior, to act at all times in the interests of investing clients and to report any attempt to influence their view.
- **Identification of Conflicts.** Our policies and procedures are designed to assist us in identifying possible conflicts of interest that might affect or raise questions about the impartiality of research. This includes policies and procedures to regulate the flow of information between Research and other business groups.
- **Supervision and Remuneration of Research Analysts.** Research analysts are compensated only for those activities and services that benefit our clients and Research has exclusive responsibility for determining research analyst's compensation. Research analysts do not report to investment banking and investment banking personnel do not have input into the evaluation and compensation of research analysts. Research operates independently from other business groups.
- **Restrictions on Research Analysts' Activities.** Research analysts are restricted from activities that could prejudice, or appear to prejudice, the independence of their research.
- **Inducements and Inappropriate Influences.** Research analysts are not permitted to promise, imply, communicate, offer or accept any inducement in respect of their publication of research.
- **Timing and Dissemination of Research Reports.** Research reports and other commentary are required to be simultaneously disseminated to the sales force and clients. We may also restrict the publication of research in connection with our role in certain offerings or transactions and as otherwise required by applicable laws.
- **Coverage Decisions.** The decision as to whether to initiate, continue or terminate coverage resides solely with the management of Research. We have adopted a policy that neither we nor any of our employees may, directly or indirectly, retaliate against a research analyst in respect of his or her decision to publish any research report or commentary or for the content of that research.
- **Disclosure of Interests.** Our research contains certain disclosures as required by various regulatory requirements.



- **Research Analysts' Personal Interest and Personal Account Dealing.** All securities transactions and investments by Research employees must be pre-cleared. Research employees are generally not permitted to engage in securities transactions in their sector of coverage and may not otherwise deal in a way where any transaction would constitute a conflict of interest with their production of research.

COMPENSATION FOR CLIENT REFERRALS

We do not compensate any person for client referrals for Research Services .

CUSTODY

We do not have custody of client funds and securities in connection with Research Services.

INVESTMENT DISCRETION

We do not accept discretionary authority in connection with Research Services.

VOTING CLIENT SECURITIES

Research Services does not involve the voting of client securities.

FINANCIAL INFORMATION

Not applicable.