

Merrill Lynch International Asset Power[®] Service

DISCLOSURE STATEMENT

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This wrap fee program brochure provides information about the qualifications and business practices of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"). If you have any questions about the contents of this brochure, please contact us at 800-MERRILL (800-637-7455) or if calling from outside the United States, (609) 818-8000. 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 www.adviserinfo.sec.gov.

April 22, 2011



MATERIAL CHANGES

On March 31, 2011, Merrill Lynch filed its annual update for its IAP Program brochure ("Brochure") in accordance with new regulatory requirements. Please note that it is different in structure and content from the previous Form ADV, Part II. Capitalized terms that are not defined in this section have the meanings provided in the Glossary.

April 22, 2011, Brochure Update

In November 2010, Bank of America Corporation reduced its ownership interest in BlackRock to 7.1%, nonvoting and, on April 7, 2011, Bank of America Corporation reduced its representation on the BlackRock Board of Directors. As a result of these changes, Merrill Lynch is updating this disclosure statement to no longer include BlackRock as a Related Company and BlackRock Funds or products as Related Funds or products. In addition, our practice of crediting to Retirement Accounts the advisory fees paid by Related Funds to their investment adviser, as discussed in the "Retirement Accounts" section of the Brochure, no longer will apply to BlackRock Funds.



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SERVICES, FEES AND COMPENSATION

Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch," "we," "us," or "our") is an indirect wholly-owned subsidiary of Bank of America Corporation ("Bank of America"). Capitalized terms that are not defined in this Brochure have the meanings provided in the Glossary. For purposes of this Brochure, "you" refers to the client.

DESCRIPTION OF IAP

This Brochure relates to the Merrill Lynch International Asset Power Service ("IAP"), a non-discretionary investment advisory and brokerage program offered by Merrill Lynch. As of March 25, 2011, IAP is no longer available to new clients or accounts. This Brochure also contains important information relating to clients' responsibilities for their Accounts, certain conflicts of interest involved with the services offered, and disclosures concerning the decision-making authority and investment decision-making that clients must exercise in their IAP accounts, and the responsibilities that Merrill Lynch does not assume in IAP. You should read this Brochure carefully when deciding whether the services are appropriate for you, and ask your Financial Advisor any questions you may have. This Brochure applies to the account and all related subaccounts that are enrolled in IAP ("Accounts").

Through IAP, Merrill Lynch provides advice and guidance and transaction execution services as an investment adviser and as a broker-dealer. IAP is designed for clients who desire to follow an asset allocation strategy they choose and who seek to pay an asset-based fee. IAP also provides an alternative in which you can execute transactions for an asset-based fee, instead of a traditional brokerage account in which a commission is charged for each transaction.

In addition to IAP, Merrill Lynch offers a wide variety of investment advisory services, if available based on your jurisdiction, including (but not limited to) Merrill Lynch Consults® Service, the Merrill Lynch Consulting Services, the Merrill Lynch Personal Advisor Program, and the Merrill Lynch Unified Managed Account. Other advisory services are offered by our affiliates. Impersonal investment advice (general advice not tailored to the specific needs of any individual) in the form of publications or research may also be available. In addition, we offer financial planning services, including (but not limited to) the Financial Foundation® Report and the Private Planning ServiceSM. More information about these programs and services is contained in the applicable Merrill Lynch brochure (or Merrill Lynch Form ADV, Part 2) and is available upon request or through the SEC's website at www.adviserinfo.sec.gov. For more information about these or other services that are available, please contact your Financial Advisor.

FEATURES OF IAP

In IAP, we execute, clear and settle transactions in securities upon your instructions. We also act as custodian of the IAP assets. In addition, your Financial Advisor provides advice and guidance to you that is based on information you provide at the time your Account is opened, as you update or amend it from time to time.

To assist you in managing your Account assets, we provide

- A Relationship Policy Statement that includes a target asset allocation;
- Opportunities to review reports showing performance of your IAP Account assets; and
- Opportunities for you to engage in semi-annual Account reviews with your Financial Advisor to address progress toward asset allocation and Account investment objectives.



Depending upon the jurisdiction in which you reside and the type of securities account you enroll in IAP, we also offer additional services, such as banking services, margin facilities, cash sweep services into an affiliated bank deposit program or eligible tax-exempt money market funds (or such other options as may be available from time to time), and other cash management services as outlined in the Account opening agreement.

Not all services are available in all jurisdictions. Certain of the services described in this Brochure may be rendered through our affiliates, Related Companies, and independent agents. The availability of the services described herein is subject to applicable law.

ENROLLMENT IN IAP

To enroll in IAP, you must provide us with information regarding your overall circumstances, financial goals and risk profile, including your Account's investment objective relevant to your intended purpose for your Account ("Account Information"). Because we rely on the Account Information furnished in the enrollment documentation to advise you with respect to your Account, it is important that you furnish us with accurate information that is complete in all material respects and promptly notify your Financial Advisor of any material changes. You must review and sign the IAP enrollment documentation, which includes entering into an agreement with us ("Agreement"), in order to maintain your IAP Account.

The scope of any investment advisory relationship we have with you, for your IAP Account, is defined in the Agreement you sign for IAP. When you are enrolled in IAP, we act as your investment adviser only for your Account and not any other assets or accounts, unless otherwise separately agreed to by us in writing. Our advisory relationship begins when we enter into an Agreement with you, which occurs at the time of acceptance of the signed Agreement by us. Preliminary discussions or recommendations before we enter into an Agreement with you are not intended as investment advice and should not be relied on as such.

THE RELATIONSHIP POLICY STATEMENT

Based on the Account Information you provide, we will assist you in the preparation of a Relationship Policy Statement, which you may amend from time to time as circumstances change. The Relationship Policy Statement will include an Account target asset allocation you select based upon your investment objectives, financial circumstances, and other important Account Information and will be used to assist your Financial Advisor in making investment recommendations. You are responsible for reviewing the Relationship Policy Statement, updating the Relationship Policy Statement as needed, and reporting any discrepancies or material changes to your Financial Advisor. Because an accurate and current Relationship Policy Statement is integral to the ability of your Financial Advisor to provide the IAP service to you, it is very important that you give your Financial Advisor accurate information and advise your Financial Advisor promptly of material changes to the Account Information.

USE OF RESEARCH

Financial Advisors may employ their own investment analysis and rely on different sources of information in forming the general basis of their investment recommendations provided to clients. Financial Advisors may use, among other things, BofAML Research that covers a wide range of securities and other investment instruments that may be purchased or sold for your Accounts. BofAML Research uses various securities analysis methods, including fundamental, technical, quantitative and economic analyses. The main sources of information used by BofAML Research are company management contacts, company releases, financial and trade newspapers and magazines, corporate rating services, annual reports and filings with governmental agencies. A Financial Advisor's investment analysis may also use other sources of



information including, among other things, research reports and market commentary issued by other investment firms that are not affiliated with us. In addition, a Financial Advisor may apply certain investment models created by us as a preliminary basis in formulating investment recommendations to implement the target asset allocation selected by the client. The use of such investment models does not assure or guarantee that the performance of your Account or any investments therein will be consistent with the investment model or will necessarily be profitable.

TYPES OF SECURITIES

We will execute orders involving most types of securities, including, generally, equity securities, fixed-income securities, certain investment company securities (including many ETFs and mutual funds), certain types of options contracts and any other securities or investment products we deem appropriate for IAP. The types of securities and other investment products permitted to be transacted in your Account may change from time to time within our sole discretion, and we may decline to execute any transaction in your Account as we deem appropriate or necessary. This requirement may change over time, other requirements may be imposed, and we will not update you with regard to such changes.

RESPONSIBILITIES ASSUMED BY CLIENTS

IAP has been designed to give you flexibility to use an Account as you deem appropriate within certain prescribed limits. In connection with your use of the IAP Account, you assume the full responsibility for trading decisions you make given the non-discretionary nature of IAP. This means, specifically, that you assume full responsibility for the following matters:

NON-DISCRETIONARY NATURE OF IAP

Although you will receive advice and guidance from your Financial Advisor, transactions in your Account will take place only upon your instruction. Since IAP is a non-discretionary investment advisory and brokerage program, it is your exclusive responsibility to determine whether to follow each or any of the investment and target asset allocation recommendations your Financial Advisor makes.

INDEPENDENT DECISION-MAKING

As described above, you make your own investment decisions when it comes to effecting transactions in your IAP Account. Your Financial Advisor will provide investment recommendations to you on the basis of what may be suitable and appropriate for you. Your Financial Advisor makes these investment recommendations based upon his or her judgment as to the appropriateness of each investment. Research developed by BofAML Research may be a factor your Financial Advisor considers in making a decision to recommend an investment for you for your IAP Account. Neither we nor any of our Financial Advisors have any obligation to notify you of changes to the opinions of BofAML Research, even though your Financial Advisor may have used BofAML Research as the basis (either in whole or in part) for making the investment recommendation. In addition, you should assess the merits of any recommendation made in the context of your total financial circumstances, and not rely solely on the recommendation of your Financial Advisor when making any investment decision.

UNSOLICITED TRADING

You may place orders to buy (or sell) securities without having received the advice, guidance or recommendations of your Financial Advisor (so-called "unsolicited trades"). Unsolicited trades can involve securities on which BofAML Research currently maintains a recommendation or that BofAML Research does



not cover at all. They also may include securities that your Financial Advisor advises against buying (or selling), either on the merits of a particular security or because the purchase (or sale) of a particular security or securities would be contrary to the target asset allocation strategy or Relationship Policy Statement for your Account. Further, effecting unsolicited trades in your Account may limit your Financial Advisor's ability to make recommendations in accordance with the Relationship Policy Statement regarding other assets in your Account. Should your unsolicited trading activity become inconsistent with your Relationship Policy Statement and/or the investment guidelines, we may request you to change such unsolicited trading practices, update your Relationship Policy Statement or request you to reconsider maintaining your IAP Account.

You assume full responsibility for unsolicited trades, and neither we nor any of our Financial Advisors have an obligation to obtain research concerning, or to monitor and recommend sales (or additional purchases) of, securities acquired on an unsolicited basis.

CONCENTRATED POSITIONS

You may choose to invest or maintain a large percentage of Account assets in a single security or a single industry (a so-called "concentrated position"). Generally, concentrated positions add risk to a portfolio and you should not maintain a concentrated position unless you are prepared to experience significant losses in the value of your Account if the single issuer or industry suffers an economic downturn. You may hold concentrated positions in your IAP Account if you so choose, but we and your Financial Advisor assume no responsibility for losses as a result. If you have significant concentrated positions, you should consider hedging and diversification strategies. You assume your own risk if you decide not to do so. We reserve the right to request that you move concentrated positions to a traditional commission-based brokerage account.

USE OF IAP CASH SWEEP ARRANGEMENT

As noted in this Brochure, if it is available with the type of securities account that you have enrolled in IAP and in your jurisdiction, you can have cash swept into a money market demand account (which is not a money market fund) at an affiliated bank or depository institution with which we have a contractual relationship (a "Related Depository Institution") or to certain Related and Unrelated Money Market Funds. The rate of interest paid on cash in the money market demand account is based on your relationship with us and an affiliated bank or related institution, as determined by the total value of assets in accounts linked in accordance with the Merrill Lynch Statement Link Service. Information about the Statement Link Service may be obtained through your Financial Advisor. Rates in a money market demand account are tiered according to amounts of linked assets deemed eligible for this purpose, and the rates may change daily. Clients with higher total assets (including those in linked accounts deemed eligible for purposes of the money market demand account) generally receive higher yields on their cash swept in accordance with this sweep feature.

The IAP Fee, as described below, is not charged on any cash if swept into these sweep options or otherwise. You may choose other cash vehicles to meet your needs, including other cash vehicles that, historically, pay higher rates of interest or yield, such as money market funds. If you choose to invest cash in these other vehicles, you must place orders to purchase and sell these other cash investments directly with your Financial Advisor, as with any transaction effected in your IAP Account. Like all assets in your IAP Account, you must decide where and how to maintain a cash allocation of any asset allocation strategy pursued, including investing cash in the IAP Account into some other instrument or security that may pay a higher rate of return than the applicable tiered rate for the Account.

**MARGIN**

Margin and other types of securities-based lending are provided as part of the brokerage services available to you in IAP. If you desire to access this feature for your IAP Account, and are eligible, we may extend credit to you by making margin available to you, just as we do for all of our brokerage clients, subject to applicable limits. As disclosed in the Account opening documents, if you use margin to purchase securities, our collateral for the margin debit will be the assets in your IAP Account and other accounts at Merrill Lynch. If the securities in a margin account decline in value, the value of the collateral supporting the margin debit also declines, and, as a result, we can take actions, such as issue a margin call or sell securities or other assets maintained at Merrill Lynch in order to maintain the required equity in your Account. Overall, margin enhances the risk of losses in declining markets that negatively affect the value of securities bought on margin.

If you use margin, you assume additional risk, including:

- You can lose more funds than amounts deposited in margin accounts;
- We can force the sale of securities or other assets in your Account(s);
- We can sell client securities and other assets without contacting you;
- You are not entitled to choose which securities or other assets in the Account are to be liquidated or sold to meet margin calls;
- We can increase our “house” maintenance margin requirements at any time and are not required to provide you with advance written notice; and
- You are not entitled to an extension of time on a margin call.

If you choose to use margin in your IAP Account, specific documents will be necessary before the margin account can be accessed. It is important for you to read the materials associated with margin before deciding to assume margin risk. *You assume full responsibility for using margin to buy securities and may discontinue your use of margin at anytime.*

UNCOVERED OPTIONS WRITING; SHORT SELLING

You may write uncovered options and sell stock short in your IAP Account.

If you write uncovered options, you assume additional risk, including:

- You will be exposed to potentially significant losses that can be substantial;
- If you write an uncovered call option and if the value of the underlying instrument increases above the exercise price, you can incur large and unlimited losses until the option expires or can pursue other option contract remedies;
- If you write an uncovered put option, you bear the risk of loss if the value of the underlying instrument declines below the exercise price;
- If you write combination or straddle options (where a put and a call option are written on the same underlying instrument), the potential risk of loss is unlimited;
- If a secondary market in options were to become unavailable, you could not engage in a closing transaction and would remain obligated until expiration or assignment; and



- If you do not meet applicable margin payment requirements described in your option account agreement, we may liquidate stock, options positions or other holdings in your IAP Account, with little or no prior notice to you.

You also need to recognize that selling stock short has similar risks as those described above regarding writing uncovered call options. We reserve the right to not approve any IAP Account to engage in uncovered options transactions or sell stock short.

You assume full responsibility for writing uncovered options and selling stock short, including the possibility of incurring unlimited losses, and may discontinue writing options and short selling at any time. You will assume the foregoing responsibilities if you choose to engage in some or all of these activities in your IAP Account, and risks associated with such uses are in addition to others disclosed throughout this Brochure.

INVESTMENT RISK AND TAX DISCLOSURE

RISK OF LOSS

By enrolling in IAP, you need to be aware of, and be willing to assume, the risks involved with investing in securities and other investment products, and understand that you could lose all or a portion of the amount invested. You also need to understand that all investments involve risk (the amount of which may vary significantly), that investment performance cannot be predicted or guaranteed, and that the value of your Account holdings will fluctuate due to market conditions and other factors. For any security or investment product in which your Account invests, you should read the prospectus and disclosure document, as applicable, which contain important information about risk factors relating to the product for any applicable security or investment product in which you invest.

Target asset allocations or benchmarks referenced in connection with your Account and included in the Relationship Policy Statement and any periodic performance report are not intended to be assurances or guarantees of performance of any investments in or of your Account. There is no assurance that the performance results of any such benchmark or index can be attained. Various factors may cause your Account to perform very differently from a benchmark, including market movements, the investment decisions that you make, and other factors. Market movements, your independent investment decisions made in connection with IAP assets and investment activities and acceptance of particular recommendations, as well as other factors, may result in significant differences between the performance of IAP assets and any goals set forth in the Relationship Policy Statement or otherwise made known to us. The investments made and the actions taken for your Account will be subject to various market, liquidity, currency, economic and political risks, and may decline in value.

CLIENT FLEXIBILITY AND ASSUMPTION OF RISK

IAP has been designed to give you flexibility to trade in securities and instruments as you choose with your own assets. You assume the risks associated with your investment decisions. Accordingly, if you assemble a concentrated position in your Account, you assume the risk of a substantial loss in value to your entire Account if there is a decline in the concentrated position or industry. Similarly, if you effect unsolicited trades or transactions in securities that BofAML Research does not follow or in which BofAML Research has a contrary recommendation, or that is contrary to the views of your Financial Advisor, you do so at your own risk. Moreover, if you choose to make use of margin to effect transactions in your Account, you assume the risk associated with margin transactions, including that the use of borrowed money may magnify losses in the value of an asset purchased on margin. In regard to the use of margin, because your Financial Advisor is paid a portion of the IAP Fee, including Fee Covered Assets on which the IAP Fee is based, and a portion of



margin interest paid on the margin debit, your Financial Advisor has an incentive to encourage you to make use of account margin features. Similarly, use of banking services and check-writing in your IAP Account may impact your ability to stay within the target asset allocation or internal investment guidelines established for your Account, or might result in overdrawing your Account and triggering a margin debit, and, if used extensively, can impact your ability to remain in IAP.

Writing uncovered options and selling stock short similarly increase the risk of loss for you who choose to do so, and the losses can be unlimited in certain circumstances. Ultimately, you bear the risk and responsibility for all of these decisions.

MUTUAL FUNDS AND OTHER SECURITIES WITH PROSPECTUSES

For certain Investments, such as mutual funds, you will receive a prospectus or other disclosure document. You should read these documents carefully, because they contain important information about the risks, expenses and conflicts of interest associated with those Investments.

CLIENT RESPONSIBLE FOR TAXES

We may recommend the sale of all or a portion of the securities in your Account, either initially or during the course of your participation in IAP. You are responsible for all tax liabilities arising from these transactions. In addition, if you are not a resident of the United States, you assume the adverse tax consequences and other risks involved in investing in U.S. securities. We do not, and will not, offer tax advice to you on any such issues, and you are strongly encouraged to seek the advice of a qualified tax professional.

FUNDING AND OPERATION OF IAP ACCOUNTS

FUNDING, WITHDRAWALS AND ADDITIONS OF ASSETS IN IAP ACCOUNTS

You may open an Account with cash, readily marketable securities, or a combination of both. When funding an Account with securities, including mutual fund shares, you should bear in mind that if you sell such securities you will be responsible for any tax or other liabilities resulting from such transactions. Neither Merrill Lynch nor your Financial Advisor will provide tax advice to you on any such issues, and you are strongly encouraged to seek the advice of a qualified tax professional. You also should consider all relevant factors before contributing mutual fund shares to your Account, including

(i) that you may have paid a front-end sales charge or may be subject to CDSCs or redemption fees; and (ii) that such sales charges and fees, if applicable, will remain your responsibility and will be in addition to the IAP Fee.

If you deposit, transfer, or contribute securities to your Account, we may recommend that you sell, exchange or redeem them either initially or during the course of your participation in IAP. If you deposit assets into your Account that are inappropriate or ineligible for IAP, we may require that you transfer them to another account outside of IAP or sell the securities.

Restrictions on Eligible U.S. Fund shares: IAP is generally appropriate for investors interested primarily in purchasing and reinvesting in a portfolio of investment securities, which may include individual equity and fixed-income securities, as well as Fund shares. It generally may not be appropriate for investors interested primarily in purchasing Eligible U.S. Fund shares. If your purchases or holdings of Eligible U.S. Fund shares exceed certain limits, we reserve the right to restrict your continued purchase or maintenance of Eligible U.S. Fund shares in IAP.



Restrictions on Offshore Fund shares: Generally, you may not purchase, sell or transfer Offshore Fund shares unless you are a “Non-U.S. Person” and you place the order while outside the United States and any sale or transfer is to a Non-U.S. Person. A Non-U.S. Person (a) is not a U.S. citizen or resident, if a natural person; or (b) is a “foreign person” for purposes of U.S. tax-withholding requirements. There are further restrictions on trading Offshore Fund shares in the case of a Trust with a U.S. co-executor or U.S. co-trustee. You may not acquire Offshore Fund shares through a dividend reinvestment or automatic investment program unless you enrolled in such a program while outside the United States. Further, you may only discontinue participation in such a program while outside the United States.

CUSTODY

You authorize us or our affiliate to act as custodian for assets held in your Account, which will be maintained in one or more central asset account(s) established through our applicable securities account agreement. You agree to open any necessary securities accounts and execute the applicable Merrill Lynch account agreement(s).

In limited circumstances with our consent, which may be withheld in our discretion, you may choose a custodian other than us (an “Unrelated Custodian”), but you will be responsible for all related fees, expenses and transaction costs for such custodian. In addition, if the Unrelated Custodian is selected to be the custodian of assets in an IAP Account, you acknowledge and agree that any periodic performance reports will be based on information provided by such custodian and we will not be responsible for any losses or errors by such custodian with respect to your Account. Client assets held by Unrelated Custodians may not be protected by the Securities Investor Protection Corporation (“SIPC”) or “excess” SIPC coverage. Further, if you use the custody services of an Unrelated Custodian, you will not be able to use the cash sweep option available to other IAP clients and instead will have use of any sweep and other options available for cash that may be made available by such other custodian, which may differ, for better or worse, from the sweep option in IAP.

INVESTMENTS OF CASH BALANCES AND FUNDS PENDING INVESTMENT

If available in the type of account you have enrolled in IAP and the jurisdiction you live in, and you choose to use the cash sweep option, any uninvested cash balances, as well as cash to be used in your Account as part of an asset allocation or for defensive purposes, will be automatically invested or “swept” in accordance with the underlying securities account agreement for your Account. Depending on the type of securities account, cash balances will be swept to one or more individual bank deposit accounts at depository institutions affiliated with us, or to one or more Related or Unrelated Money Market Funds, or to another available cash option. Such services may not be available in all jurisdictions or for all account types.

For certain types of accounts, as provided in the applicable account agreement(s) with us, you must choose the sweep investment options available for your IAP Account. If you want to invest cash held in the Account in an investment other than an available cash sweep option, such as in shares of a money market fund, you can do so by instructing your Financial Advisor to buy such an investment as with any other investment for your IAP Account outside of the sweep arrangements in IAP. Your Financial Advisor can help you identify the sweep investment or other cash options, if any, available to you, but neither we nor your Financial Advisor can make this selection for you. Cash balances in Accounts with Unrelated Custodians will not be subject to any Merrill Lynch sweep arrangements.

If cash balances are deposited in a bank deposit account with a Related Depository Institution, the Related Depository Institution will benefit from its use of the deposits in excess of the interest it pays to you. Similarly, we, our Financial Advisors and/or our affiliates will receive compensation from the Related Depository



Institution, and such compensation may exceed interest payable on such deposit accounts. This compensation will be in addition to, and will not reduce, the IAP Fee payable under the Agreement.

However, cash maintained in such a bank deposit account and/or money market fund will be considered Excluded Assets and will not be subject to the IAP Fees described below. The terms of the Merrill Lynch Bank Deposit Program, Retirement Assets Savings Program, or any other bank deposit program, as applicable, are described in disclosures that you received in connection with establishing the underlying Merrill Lynch securities account for your Account, and are also available from your Financial Advisor.

Interest rates paid in the bank deposit account are tiered based upon your relationship with us, as noted above in the section entitled *Use of IAP Cash Sweep Arrangement*. For tiered amounts, the interest rate paid will correspond with the value of assets in your Account or accounts linked in accordance with the terms of the Link Service. Generally, deposits of clients in higher asset tiers (or the tier applicable to linked accounts) will receive higher interest rates than deposits of clients in lower asset tiers. Current interest rate information is available by contacting your Financial Advisor. Interest rates may change without notice.

You can link other Merrill Lynch accounts, usually in the same household or related to a single business, for statement delivery purposes and to establish higher levels of eligible assets and a potentially higher interest rate tier. Your Financial Advisor can provide you with a description of the Merrill Lynch Statement Link Service and details on linking accounts. However, it is your responsibility to link accounts and notify your Financial Advisor to do so. Certain types of accounts cannot be linked for purposes of determining the asset tier for interest rate purposes. Speak with your Financial Advisor and read carefully the information prepared by us concerning the Merrill Lynch Bank Deposit Program or Retirement Assets Savings Program.

TRANSACTIONS IN IAP ACCOUNTS

The IAP Fees payable under the Agreement generally cover our brokerage services for Fee Covered Assets, including execution services and related transaction costs when transactions are effected at Merrill Lynch or our affiliates. As set forth in the Agreement, you authorize and direct us to cause all transactions for your Account to be effected through Merrill Lynch or our affiliates. You should note, however, that under certain circumstances, you may be able to obtain better prices for, or commission charges on, securities transactions from other broker-dealers or obtain better pricing or commissions through different types of accounts available at Merrill Lynch. However, you will pay commissions on securities transactions executed for your IAP Account through other broker-dealers, which are in addition to the IAP Fees.

USE OF OTHER BROKER-DEALERS

In buying or selling securities (particularly those that customarily trade in “dealer markets”), we may, for legal or other reasons, cause such transactions to be effected through an unaffiliated bank, broker or dealer selected by us (“Unaffiliated Investment Firm”). As set forth in the Agreement, you authorize us to cause such transactions to be effected through an Unaffiliated Investment Firm, and by doing so, acknowledge and agree that there may be additional transaction costs associated with such transactions and that you are solely responsible for those transaction costs. In selecting an Unaffiliated Investment Firm, we will consider the investment firm’s execution capabilities, speed and efficiency, among other factors. We may direct transactions for your Account to an Unaffiliated Investment Firm in return for research services furnished to us or our affiliates (paid for with your commissions), which we may or may not use for your Account. You understand that in selecting an Unaffiliated Investment Firm, we will not seek competitive bids and the commissions you pay may exceed those that another Unaffiliated Investment Firm would charge for effecting the same transactions. Commissions or other transaction costs incurred by an Unaffiliated Investment Firm other than us for transactions in your Account are in addition to the IAP Fees. You authorize us to establish



accounts in your name with an Unaffiliated Investment Firm in accordance with the Agreement, and to execute and deliver such contracts and other documents on your behalf as your attorney-in-fact as you deem necessary or advisable in connection with establishing such accounts, and empower such Unaffiliated Investment Firms to follow our instructions.

TRANSACTIONS INVOLVING EXCLUDED ASSETS AND TRANSFERS OF MUTUAL FUND SHARES TO OTHER ACCOUNTS

Certain assets may be inappropriate for your IAP Account. In such cases, we may work with you to sell such assets or move such assets to another Merrill Lynch account or service. If assets are moved to another Merrill Lynch account or service, subject to applicable law, we may be entitled, in such new account or service, to charge a commission (or markups/downs) for the sale of such asset and/or execute a principal trade for such sale, and in doing so, will retain this compensation.

If you seek to transfer Fund shares or other securities into another asset-based fee program or service, the shares or other securities may be treated as if purchased through, and subject to the terms of, the other program or service. Upon termination of participation in IAP, you may not be eligible to purchase either Fund shares of the same class or other securities available through IAP, and in the case of mutual funds, any applicable sales loads will be charged in connection with the purchase of such mutual fund shares. If you seek a partial withdrawal from your IAP Account, you must decide which Fund shares or other securities are to be liquidated or transferred and will so instruct us.

AGGREGATION OF CLIENT ORDERS IN THE SAME SECURITY

In seeking best execution, we have the ability to aggregate orders for the sale or purchase of securities for your Account with orders for the same security for our other clients, our own accounts or the accounts of our employees, including your Financial Advisor, and/or our related persons, without your prior authorization, if the transaction is effected on the same day that your order is received. In such cases, generally your Account in the aggregated transaction will be charged or credited with the average price per share or unit and, when applicable, its pro rata share of any fees, which will be shown on your trade confirmations. If we believe that it may be appropriate to execute an order for your Account later than the same day we receive the order, we will request specific written authorization from you.

TRANSACTIONS IN FOREIGN SECURITIES AND ADRS

When we buy or sell securities that trade in markets outside the United States, we may use the services of unaffiliated foreign broker-dealers. These foreign broker-dealers may handle client orders as agent and assess a commission charge, or they may transact as principal and receive a dealer spread or markup/down. Additionally, if a foreign currency conversion transaction is required to facilitate trade settlement, the foreign broker-dealer (or its affiliate) effecting the currency conversion will earn compensation in the form of dealer spreads or markups and markdowns. This compensation is not disclosed to or by us in net price transactions, but we will, at your written request, seek out the information from the counterparty for a given transaction for your Account. There also may be commission charges and/or dealer spreads of other broker-dealers when foreign issuers terminate an ADR facility, causing the conversion of ADRs to foreign ordinary share form. In these cases, the prices obtained for the post-ADR security may be less beneficial to you than if the ADR remained intact. These commissions/dealer spreads are in addition to the IAP Fees payable under the Agreement.



PROXY VOTING AND OTHER LEGAL MATTERS

We do not vote proxies or respond to corporate actions with respect to securities held in your Account. We will forward to you any information or documents we receive for distribution to our clients in regard to the voting of proxies, including all proxies and related shareholder communications for the securities held in your Account. If we do not receive instructions regarding the voting of proxies for securities, including Registered Funds, then we will comply with the rules of the NYSE and the SEC related to such matters. For securities of non-U.S. issuers, we will send you proxy voting materials and related shareholder communications to the extent that we receive them from the issuer in a timely manner.

We will not be responsible for making any tax credit or similar claim or any legal filing (including, but not limited to, proofs of claim) on your behalf. Similarly, we will not advise or act for you regarding any legal matters, including bankruptcies and class actions service, pertaining to the securities held in your Account. Unless otherwise agreed, we will send you any documents we receive for client distribution with regard to such matters. You may enroll in the Merrill Lynch Class Action Settlement Service, which is a separate administrative service and not part of the services provided in IAP. For more information on this additional service, contact your Financial Advisor.

ACCOUNT FEES

CURRENT FEE SCHEDULE

The current IAP Fee is determined based on the following asset-based fee schedule:

Fee Covered Assets	Fee For Equity / Balanced / Fixed-Income Accounts	Fee for 100% Fixed- Income Accounts
U.S. \$1 to \$499,999	2.00%	0.80%
U.S. \$500,000 to \$1,999,999	2.00%	0.70%
U.S. \$2,000,000 to \$4,999,999	1.75%	0.60%
U.S. \$5,000,000 to \$9,999,999	1.50%	0.50%
U.S. \$10,000,000 to \$24,999,999	1.50%	0.40%
U.S. \$25,000,000+	1.25%	0.40%

Generally, a minimum of \$250,000 is required to open an IAP Account, although we may permit or require new Accounts to be opened at higher or lower amounts. The minimum fee for Accounts is the lesser of 2% of the value of Fee Covered Assets in the Account or U.S. \$3,000 (or U.S. \$750/quarter). In the case of 100% Fixed-Income Accounts, the minimum IAP Fee is the lesser of 2% of the value of Fee Covered Assets in the Account or \$1,500 (or U.S. \$375/quarter). The minimum annual fee will be prorated among the Accounts based on the value of the Fee Covered Assets, without regard to asset category, held by each Account. In very limited circumstances, the minimum account requirement may be waived, in our sole discretion.

The only Accounts eligible for the 100% Fixed-Income Account Fee rate are those that exclusively hold fixed-income securities. Accounts that hold any mutual funds that are Fee Covered Assets (as described below), except for Related and Unrelated Money Market Funds (as defined below), are not eligible for the 100% Fixed-Income Account Fee rate and will be billed at the Equity/Balanced/Fixed-Income Account rates.

The annual IAP Fee will not be applied to amounts in your cash sweep bank deposit facility account, certain cash equivalents, including assets in your bank deposit account(s) and Related and Unrelated Money Market Fund shares (as described below), or Fee Deferred Assets (for one year) and Excluded Assets (as described below). Additional Fee Covered Assets received into your Account during any billing period may be charged a



pro rata fee based on the number of days remaining in the billing period as you and Merrill Lynch may agree. No IAP Fee adjustment will be made for partial withdrawals.

We may, from time to time, enter into specialized agreements to provide particular or unique services to certain clients, subject to negotiated fees. The fees for certain of the services described in this Brochure may be reduced for our employees or our affiliates or for clients who may be subject to prior fee schedules. For more information regarding any other programs and services that we offer, please contact your Financial Advisor.

FEE COVERED, EXCLUDED AND FEE DEFERRED ASSETS

You will pay an annual asset-based fee, applied quarterly, on all assets in your IAP Account except those on which the IAP Fee is Deferred or that are Excluded. Assets that are subject to the IAP Fee are referred to in this Brochure as “Fee Covered Assets.” Certain other assets are not subject to the IAP Fee at all, and are referred to as “Excluded Assets.” The IAP Fee does not apply to Excluded Assets such as cash (including cash swept into the Merrill Lynch sweep option you may choose to use) and money market funds and certain investments designated by us from time to time. We, in our sole discretion, reserve the right to designate assets as Fee Deferred or Excluded and to re-designate an Excluded or Fee Deferred Asset as a Fee Covered Asset without notice to you.

Commissions or other transaction-based compensation will apply to purchases and sales of Excluded Assets. We reserve the right to change the designation of an Excluded Asset in our sole discretion. Excluded Assets may be held in your Account but are not subject to the IAP Fee at any time. Generally, the IAP Fee does not apply to Excluded Assets because we receive sales-related or other fees, including ongoing fees, in connection with such assets. This compensation may be more than what would have been the case had the asset been treated as a Fee Covered Asset.

Other assets are subject to the IAP Fee one year after they are purchased in your IAP Account, and these assets are referred to as “Fee Deferred Assets” and may include new issue equity and fixed-income securities sold in new issue offerings, including initial offerings of interests in closed-end funds and structured notes sponsored or advised by us or related entities. However, new issue equity and fixed-income securities purchased prior to opening your IAP Account and subsequently transferred to your IAP Account will not be considered Fee Deferred Assets and may be subject to the IAP Fee immediately. Similarly, any security purchased prior to opening your IAP Account and subsequently transferred into your IAP Account will be subject to the IAP fee immediately upon its transfer to IAP. This means that you may pay both an up-front commission (when the security was purchased prior to enrolling in IAP) as well as an IAP Fee (once enrolled in IAP) in connection with the purchase of the same security.

Fee Deferred Assets can be purchased in your Account and we may charge a commission when sold within one year of purchase. You will not pay an IAP Fee on Fee Deferred Assets for a period of one year after the Fee Deferred Asset was purchased in your Account. Once these assets are treated as Fee Covered Assets, the asset-based IAP Fee will apply. You should note that if you had bought and sold the Fee Deferred Asset in a brokerage account, the commission paid upon sale may be more or less than the portion of the IAP Fee that would be attributable to that asset. You should consider the differences in commission versus asset-based charges that will apply to Fee Deferred Assets before moving these securities into your IAP Account. As with Excluded Assets, we reserve the right to designate other assets as Fee Deferred Assets without notice to you.



You should assess your own trading patterns and determine whether purchases and sales of these assets should be effected in your IAP Account where asset-based fees will apply after one year, or in a brokerage account where commissions will be imposed.

VALUATION OF ASSETS

Each quarterly IAP Fee is based on the prior quarter's average value of Fee Covered Assets in your Account (or months of enrollment for the initial period). The average value of these assets is based on their values on the last business day of each week in the quarter. We will determine, in our sole discretion, the manner in which the assets are to be valued in, and in some cases may be based on estimates which are 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 with respect to the value of assets in your 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 IAP Fee may be calculated based on values for some securities that are greater than the amount you would receive if the securities were sold from your Account. If your multi-currency Account holds a foreign currency and it is converted to U.S. dollars for purposes of fee calculation, and payment, we may conduct the foreign currency conversion through us or one of our affiliates. We will calculate the rates of exchange in relation to each multi-currency product in good faith and with reasonable care. Foreign exchange fluctuations may have an adverse effect on the value of, and income from, your investments.

The Account value used for the IAP Fee calculation may differ from that shown on your securities account statement due to a variety of factors including trade date or settlement date accounting, treatment of accrued income, round lot valuation and other considerations. Periodic performance reports generally will reflect the value of Excluded and Fee Deferred Assets over which IAP Fees are not charged. It should be noted that the valuation of your securities reported in the periodic performance reports 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 IAP Fees.

FREQUENCY OF BILLING AND SERVICES COVERED BY THE IAP FEE

The IAP Fee is payable quarterly in advance on Fee Covered Assets in your Account, including Fee Deferred Assets that have converted to Fee Covered Assets after being held for one year, and such Fee Covered Assets purchased on margin or other extensions of credit by us or our affiliates. Each quarterly IAP Fee is typically charged on the second Tuesday of January, April, July and October. The IAP Fee covers our brokerage services, including clearance and settlement of transactions and custody of assets, advice and guidance, as well as the investment advisory services, as described in this Brochure. In addition to these services, the IAP Fee covers the following, if available in your jurisdiction and the type of your Account:

- Annual account fees for all enrolled IAP accounts;
- Annual fees for Merrill Lynch's Visa® Signature, Visa® Business Signature, and EMA® Signature Rewards® Visa® cards (require a routine credit check);
- ATM fees imposed by us (but not other institutions); and
- Secretarial/executive checks, stop payment orders, returned checks, returned deposits, and cancelled check requests.



The full amount of the Fee payable under the Agreement will be charged in accordance with the terms of such Agreement, regardless of your use of any of the IAP services offered or of the amount of transactions you choose to effect in your Account.

The initial IAP Fee will be prorated to cover the period from the date your Account has been accepted in IAP until the last Friday of the calendar quarter (the quarter typically ends on the last Friday of March, June, and September and on the last business day of the year) and will be based on the valuation of Fee Covered Assets in your Account as of the last Friday of the first month that your Account has been accepted in IAP (for accounts enrolling after the last Friday in December, the last business day will be used instead of the last Friday). For Accounts enrolling in the IAP service without Fee Covered Assets as of the last Friday of the first month that your Account has been accepted in the service, the fee will be based on the valuation of Fee Covered Assets in your Account as of the last Friday of the first month that Fee Covered Assets or Fee Deferred Assets are detected and will be prorated to cover the period from the date that Fee Covered Assets or Fee Deferred Assets are detected until the last Friday of the calendar quarter. The initial IAP Fee is typically charged on the second Tuesday of the month following the month of enrollment.

NEGOTIABILITY OF IAP FEES

IAP Fees may be negotiable depending upon a number of factors. However, the negotiated IAP Fees cannot be lower than the minimum annual IAP Fees described above. Fees may differ based on a number of factors including, but not limited to, the:

- Amount of your assets
- Use of non-U.S. Dollar Accounts;
- Number and size of your other accounts maintained at Merrill Lynch;
- Range and extent of services provided or to be provided to you; and
- Financial Advisor assisting you.

In some circumstances, IAP Fees may be charged on an “unbundled” basis, whereby you would pay separately for some or all of our services available through IAP. Moreover, fees and other account requirements may vary as a result of prior policies and the date your Account opened.

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

DEDUCTION OF IAP FEE

Unless otherwise agreed to by you and Merrill Lynch, IAP Fees will be automatically deducted from your Account. Even if we have agreed to bill you directly for IAP Fees or to deduct IAP Fees from your other accounts held at Merrill Lynch, you authorize us to deduct the IAP Fees from your IAP Account, to the extent permitted by law, if full payment has not been timely received or, if earlier, at the time the Agreement is terminated. In addition, unless otherwise agreed to by you and Merrill Lynch, IAP fees will be paid first from free credit balances and second from the liquidation or withdrawal (which you authorize us to do) by us of your shares of any money market funds or balances in any money market or bank deposit account. You agree to make timely payment of all amounts due to us.



To the extent permitted by law, all assets in your IAP Account will be subject to a lien for the discharge of your obligation to make timely payment to us, and by your authorization, we may sell assets in the Account to satisfy this lien. If you have selected an Unrelated Custodian, then that custodian may rely on a copy of the Agreement as evidence of your instructions; however, the custodian may not verify the accuracy of the fee calculations.

ABILITY TO OBTAIN IAP SERVICES SEPARATELY

You may be able to obtain some or all of the types of services available through IAP from us or other firms on a separate or combined basis. Depending upon the circumstances, IAP may cost you more or less than purchasing the services separately. You may also be able to obtain some or all of the types of services available through IAP 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 your responsibility to review the other services or investments available through us and our affiliates with your Financial Advisor to determine whether they may be more appropriate for you than IAP. Further, IAP Fees may be higher or lower than the fees charged by other firms offering comparable services.

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

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

OTHER FEES AND EXPENSES

IAP Fees do not cover:

- Transaction charges on trades effected through or with an Unaffiliated Investment Firm other than us (including on fixed-income or over-the-counter transactions in which we act as agent);
- Transfer taxes;
- Margin interest;



- Fees charged by us or third parties that are not affiliates in connection with short sale transactions;
- Fund redemption fees;
- Exchange or similar fees (such as for ADRs) charged by third parties, including issuers, and fees required by the SEC;
- Commissions on Fee Excluded and Fee Deferred Assets;
- Alternative trading system fees;
- Electronic fund and other Account transfer fees; and
- Any other charges imposed by law or otherwise agreed to with regard to your Account.

The IAP Fees do not include the fees and expenses of the underlying Funds, including commissions and other transaction-related charges incurred by the Fund, even if we effect these transactions for the Fund. As a Fund shareholder, you will bear a proportionate share of the expenses of the Funds in which assets of your Account are invested. As disclosed in each Fund's prospectus or disclosure document, if applicable, such expenses may include underlying investment management fees, Rule 12b-1 fees (if any), and shareholder subaccounting or related Service Fees. You will pay the public offering price on securities purchased from an underwriter or dealer involved in a distribution.

COMPENSATION FOR RECOMMENDING IAP

In addition to the conflicts of interest described elsewhere in this Brochure, we, our affiliates and employees benefit from the compensation you and other clients pay us. We compensate our Financial Advisors (and Financial Advisors in fee-sharing arrangements with those Financial Advisors) who provide ongoing services to IAP clients. The amount of this compensation may, depending on which program(s) or services you select and other factors, be greater (or less) than if you were to participate in other programs offered by us or were to purchase the services provided on an "unbundled" basis. Any differences in compensation may (or may not) create a financial incentive for a Financial Advisor to recommend IAP over other programs or services offered by us.

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

CLIENT ELIGIBILITY

Investors eligible to participate in IAP include individuals, trusts, estates, personal holding companies, charitable organizations, banks, corporations and virtually all other types of businesses.

ACCOUNT MINIMUMS

As described above in the section entitled *Account Fees*, a minimum of \$250,000 is required to open an IAP Account, although we may permit or require new Accounts to be opened at higher or lower amounts. Please refer to the section entitled *Account Fees* above for more detailed descriptions of the account minimums.

From time to time we may establish maximum fee rates for certain account types or securities, which may reduce the rates above. We reserve the right to modify or eliminate maximum fee rates at any time for existing and new accounts, subject to any applicable notice requirements in the Agreement.

**CLOSING AN ACCOUNT AND/OR TERMINATING THE CLIENT AGREEMENT**

Either you or we may terminate the Agreement at any time upon written notice to the other. Upon termination of the Agreement, you will receive a pro rata refund of any prepaid IAP Fees for the remainder of the billing period. We may make changes to the services provided to you by giving written notice to you and without obtaining your consent. To the extent that you are dissatisfied with IAP after receiving notice of any change, you may terminate the Agreement in accordance with its terms (i.e., upon written notice to us).

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

The termination of your Financial Advisor's employment with us or participation as a Financial Advisor in IAP or for your Account will not automatically terminate the Agreement. In the event that your Financial Advisor is no longer able to service your Account, we may transfer that Account to a different Financial Advisor and you will be notified of any such changes.

PORTFOLIO MANAGER SELECTION AND EVALUATION

Not applicable.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Not applicable.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

Not applicable.

ADDITIONAL INFORMATION**DISCIPLINARY INFORMATION**

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

On January 25, 2011, the SEC issued an order ("Order") pursuant to an offer of settlement made by Merrill Lynch finding that between February 2003 and February 2005 Merrill Lynch market makers executing institutional customer orders for securities sometimes shared information concerning those trades with traders on a Merrill Lynch securities proprietary trading desk. In the Order, the SEC found that, at times, Merrill Lynch's securities proprietary traders used that information to place trades for Merrill Lynch after execution of the institutional customer order. The SEC found: (1) that this disclosure and use of institutional customer order information by Merrill Lynch's traders was improper and contrary to Merrill Lynch's confidentiality representations to its customers; (2) instances between 2002 and 2007 when Merrill Lynch



charged institutional and high net worth customers undisclosed mark-ups and mark-downs on riskless securities principal trades for which Merrill Lynch had agreed to charge the customer only a commission equivalent fee, and that, in doing so, Merrill Lynch acted improperly and contrary to its agreements with its customers; and (3) found that from 2002 through 2007 Merrill Lynch failed in many instances to make records of its agreements with institutional customers to guarantee an execution price, which agreements were part of the terms and conditions of the institutional customer orders. The SEC found that, as a result of its conduct: (1) Merrill Lynch willfully violated Section 15(c)(1)(A) of the Exchange Act, by effecting transactions in securities by means of manipulative, deceptive or other fraudulent devices or contrivances, and willfully violated Section 15(g) of the Exchange Act by failing to establish, maintain, and enforce written policies and procedures reasonably designed to prevent the misuse of material, nonpublic information, (2) under Section 15(b)(4)(E) of the Exchange Act, Merrill Lynch failed reasonably to supervise its traders with a view towards preventing them from violating the federal securities laws, and (3) Merrill Lynch willfully violated Section 17(a) of the Exchange Act and Rule 17a-3(a)(6) thereunder by failing to record certain terms and conditions of customer orders. Merrill Lynch neither admitted nor denied the findings in the Order. The findings in the Order are not binding on any person or entity other than Merrill Lynch. The Order (1) required that Merrill Lynch cease and desist from committing or causing any violations and any future violations of Sections 15(c)(1)(A), 15(g) and 17(a) of the Exchange Act and Rule 17a-3(a)(6) thereunder; (2) censured Merrill Lynch pursuant to Section 15(b)(4) of the Exchange Act; and (3) required pursuant to Section 15(b)(4) and Section 21B of the Exchange Act that Merrill Lynch pay a civil money penalty in the amount of \$10 million. The penalty was paid on February 1, 2011.

On January 13, 2011, the Superior Court of Massachusetts, Suffolk County ("Court") issued an order against Benistar Property Exchange Trust Co., Inc. ("Benistar"), Daniel Carpenter ("Carpenter"), Merrill Lynch and others for their involvement in improper options and margin trading by Carpenter of the plaintiffs' monies held by Benistar in qualified intermediary escrow accounts pursuant to 26 U.S.C. § 1031(a)(3). In a 2009 retrial of plaintiffs' claims against Merrill Lynch, a jury determined that Merrill Lynch had engaged in or committed one or more unfair or deceptive trade practices in connection with its dealing with the Benistar accounts held at Merrill Lynch and that the firm's conduct had caused injury to the plaintiffs. In the order, the Court entered a judgment of \$545,386.22 against Merrill Lynch for consequential damages. As to the plaintiffs' claim for punitive damages, the Court entered judgment in favor of Merrill Lynch provided, however that in the event Connecticut law is determined to impose various liability on Merrill Lynch for the conduct of one of its employees, the Court's award of punitive damages would be an amount equal to plaintiffs' actual damages in the total amount of \$9,669,443.58. Merrill Lynch appealed the order and the outcome of the appeal is currently pending.

On January 5, 2011, Merrill Lynch consented to an AWC with FINRA. FINRA summarized its findings with respect to several investigations finding that Merrill Lynch had: (1) failed to exercise reasonable diligence with respect to certain best execution matters in violation of NASD Rules 2110, 2320, 3110, SEC Rule 17a-3 and MSRB Rules G-17 and G-30(a); (2) misreported or failed to report to TRACE certain transactions in violation of NASD Rules 6230 and 2110; (3) failed to report a total of 13,239 positions in conventional options by the close of business the next day in violation of NASD Rules 2110 and 2860(b)(5); (4) misreported to NASD (currently FINRA) and NYSE certain short interest positions in violation of NASD Rules 3360 and 2210 and NYSE Rule 421.10; (5) incorrectly or failed to report certain trades in the NASD/Nasdaq Trade Reporting Facility and Over the Counter Reporting Facility in violation of NASD Rules 6130(b) and (g), 2110 and 3632(a)(2); (6) failed to display immediately 64 customer limit orders in Nasdaq securities in its public quotation in violation of SEC Rule 604 of Regulation NMS; (7) accepted short sale orders in violation of SEC Rule 203(b)(1) of Regulation SHO; and (8) made available a report on the covered orders in national market system securities that it received for execution which included incorrect information in violation of



SEC Rule 605 of Regulation NMS. Without admitting or denying the findings in the AWC, Merrill Lynch consented to a censure and a fine of \$304,000, allocated between the various offences listed above. FINRA also ordered Merrill Lynch to pay restitution to certain listed investors in the total amount of \$48,416.83, allocated between the listed investors.

On December 7, 2010, the SEC issued an administrative and cease-and-desist order in which it found that BAS had willfully violated Section 15(c)(1)(A) of the Exchange Act by participating in improper bidding practices involving the temporary investment of proceeds of tax-exempt municipal securities in reinvestment products from at least 1998 through 2002. In the order, BAS is: (1) censured; (2) ordered to cease and desist from committing or causing such violations and future violations; and (3) ordered to pay disgorgement plus prejudgment interest in the aggregate amount of \$36,096,442.00 to certain entities specified in the Order. BAS consented to the order without admitting or denying the SEC's findings. In its order, the SEC noted the cooperation of BAS in the SEC investigation and in related government investigations, as well as remedial actions undertaken by BAS.

On November 10, 2010, Merrill Lynch consented to an AWC with FINRA. FINRA alleged that from June 2002 through February 2007, Merrill Lynch failed to establish and maintain supervisory systems and procedures reasonably designed to achieve compliance with industry suitability standards related to the sale of certain 529 plans ("NextGen Plans"). Without admitting or denying the findings contained in the AWC, Merrill Lynch agreed to (1) a censure; (2) a fine of \$500,000 and (3) certain undertakings including (a) the distribution of a stand-alone 529 letter to each current customer who resided in a state that offered 529-related state tax benefits at the time the customer opened an advisor sold NextGen Plans at Merrill Lynch during the relevant time period; (b) assisting customers with transferring or rolling-over any customers investment in the NextGen Plans into a 529 plan of the customer's choice in the customer's home state; and (c) reporting to FINRA's enforcement staff periodically, until December 31, 2011 about each oral and written inquiry, concern or complaint received by the Firm concerning the NextGen Plans from recipients of the 529 letter, along with a description of how Merrill Lynch resolved such inquiry, concern or complaint.

On August 18, 2010, Merrill Lynch consented to an AWC with FINRA. FINRA alleged that Merrill Lynch: (1) between September 2006 and June 2008 failed to establish, maintain and enforce a supervisory system and written supervisory procedures reasonably designed to identify and ensure that customers received appropriate "breakpoints" and "rollover and exchange" discounts (collectively, "sales charge discounts") on eligible purchases of UITs, in violation of NASD Rules 3010 and 2110; (2) failed to apply sales charge discounts to customers' eligible UIT purchases in violation of NASD Rule 2110; and (3) approved the use of UIT sales literature by its sales force that was inaccurate and misleading in violation of NASD Rule 2210. Without admitting or denying the findings in the AWC, Merrill Lynch agreed to: (1) a censure; (2) a fine of \$500,000; and (3) certain undertakings including (a) providing remediation to customers who, during the period of January 1, 2006 through the date of the AWC purchased UITs and qualified for, but did not receive the applicable sales charge discount and (b) submitting to FINRA a proposed plan to identify and compensate customers who qualified for, but did not receive the applicable UIT sales charge discounts.

On June 6, 2009, the United States District Court for the Southern District of New York entered a judgment enjoining BAI and BAS from violating, directly or indirectly, Section 15(c) of the Exchange Act. The SEC had filed a complaint alleging that BAI and BAS misled customers regarding the fundamental nature and increasing risks associated with ARS underwritten, marketed and sold by BAS and BAI and that by engaging in such conduct, BAI and BAS had violated Section 15(c) of the Exchange Act. Without admitting or denying the allegations, BAI and BAS entered into a consent, whereby they agreed to a series of undertakings designed to provide relief to "individual investors" (as defined in the consent) including: (1) through their affiliate, offering to purchase at par from individual investors certain ARS; (2) agreeing to use reasonable



efforts to identify individual investors who sold certain ARS below par, and to pay such investors the difference between par and the price at which they sold the securities; (3) agreeing to participate in a special arbitration process for the purpose of arbitrating any individual investor's consequential damage claim related to its investment in ARS; (4) agreeing to refund certain refinancing securities through the firms; and (5) undertaking to make their best efforts to work with issuers and other interested parties to seek to provide liquidity solutions for institutional investors that are not considered "individual investors."

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

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

On September 24, 2008, Merrill Lynch consented to an AWC. FINRA alleged that Merrill Lynch violated numerous SEC, FINRA and MSRB Rules in that Merrill Lynch: (1) failed to report correctly transactions to numerous order and trade reporting and tracking systems maintained by FINRA and NASDAQ; (2) failed to provide written notification disclosing to its customers that transactions were executed at an average price and its executing capacity in a transaction; (3) failed to preserve for the required period brokerage order memoranda; (4) failed to mark properly orders as short in short sale transactions; (5) incorrectly designated certain symbols in various securities transactions; (6) failed to report to the FINRA/NASDAQ Trade Reporting Facility last sale reports of transactions in designated securities; and (7) failed to maintain a supervisory system designed to achieve adequate compliance with the Trade Reporting and Compliance Engine ("TRACE"), quality of markets, transaction reporting, short sales, and the Order Audit Trail System ("OATS"), among other things. Without admitting or denying the findings in the consent, Merrill Lynch consented to the following sanctions: (1) a censure; (2) a fine of \$242,500; (3) payment of \$11,358.65, plus interest, in restitution; and (4) various undertakings including revision of its written supervisory procedures regarding TRACE, quality of markets, OATS receiving inter-firm route matching statistics, transaction reporting, short sales, short sales bid and tick test compliance, OATS clock synchronization, safe harbor compliance, recordkeeping, limit order protection, the one percent rule, and the three-quote rule, among other things.



On May 1, 2008, the SEC issued an administrative order in which it found that BAI had willfully violated Sections 17(a)(2) and 17(a)(3) of the Securities Act, Sections 206(2), 206(4) and 207 of the Advisers Act and Advisers Act Rule 206(4)-1(a)(5) for failing to disclose to clients that in selecting investments for discretionary mutual fund wrap fee accounts, it favored two mutual funds affiliated with BAI. In the Order the SEC also found that Columbia Management Advisors, LLC ("Columbia Management"), as successor in interest to Banc of America Capital Management, LLC willfully aided and abetted and caused BAI's violations of Sections 206(2) and 206(4) of the Advisers Act, and Advisers Act Rule 206(4)-1(a)(5). In the order, BAI and Columbia Management were censured and ordered to cease and desist from committing or causing such violations and future violations. In addition, BAI was ordered to pay disgorgement plus prejudgment interest in the aggregate amount of \$793,773.00 to certain entities specified in the Order, and a civil monetary penalty of \$2,000,000; and Columbia Management was ordered to pay disgorgement plus prejudgment interest in the aggregate amount of \$516,382 to certain entities specified in the Order, and a civil monetary penalty of \$1,000,000. BAI and Columbia Management consented to the Order without admitting or denying the SEC's findings. BAI also agreed to certain undertakings contained within the Order.

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

On May 31, 2006, Merrill Lynch, without admitting or denying the findings contained therein, consented to the issuance of an order. The SEC found that Merrill Lynch violated Section 17(a)(2) of the Securities Act, by managing auctions for ARS in ways that were not adequately disclosed or that did not conform to disclosed procedures. Based on these findings, the order required that Merrill Lynch: (1) cease and desist from committing or causing any violations or future violations of Section 17(a)(2) of the Securities Act; (2) be censured; (3) pay a civil money penalty of \$1,500,000; and (4) comply with certain undertakings to provide customers with written descriptions of Merrill Lynch's material auction practices and procedures and to implement procedures reasonably designed to detect and prevent any failures by Merrill Lynch to conduct auctions for ARS in accordance with disclosed procedures.

On March 13, 2006, Merrill Lynch, without admitting or denying the findings contained therein, consented to the issuance of an administrative order by the SEC. The SEC found that Merrill Lynch failed to: (1) furnish promptly to representatives of the Commission electronic mail communications ("e-mails") as required under Section 17(a) of the Exchange Act and Rule 17a-4(j) thereunder; and (2) retain certain e-mails related to its business as such in violation of Section 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder. Based on these findings, the order required that Merrill Lynch: (1) cease and desist from committing or causing any violation or future violation of Section 17(a) of the Exchange Act and Rules 17a-4(b)(4) and 17a-4(j) thereunder; (2) be censured; (3) pay a civil money penalty of \$2,500,000; and (4) comply with certain undertakings relating to the retention of e-mails and the prompt production of e-mails to the SEC.

On March 15, 2006, Merrill Lynch consented to an AWC with NASD. NASD found that from 2001 through 2004, Merrill Lynch lacked an adequate supervisory system and written supervisory procedures for its Financial Advisory Center ("FAC") (n/k/a the Merrill Edge Advisory Center). Among other things, the Consent alleged that the firm failed to: (1) establish, maintain and enforce reasonable procedures regarding mutual



fund recommendations (including switch transactions); (2) place a sufficient number of properly trained and qualified supervisors to monitor activities within the FAC; (3) conduct annual compliance audits for the FAC's two most active years; (4) provide adequate disclosure to customers regarding mutual fund share class choices in violation of NASD Conduct Rules 3010 and 2110; and (5) maintain a supervisory system and written procedures reasonably designed to achieve compliance with NASD Conduct Rule 2830. Merrill Lynch consented to a censure and a fine of \$5 million and certain undertakings including: (1) a three year prohibition on sales contests to promote the sale of mutual funds or other securities by registered personnel employed at the FAC; (2) requiring investment services advisors to obtain the prior approval of a registered securities principal for any mutual fund switch recommendation; (3) monitoring of customer calls at the FAC for a certain limited period of time; and (4) retention of an independent consultant and the implementation of new procedures.

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

On February 9, 2005, pursuant to an offer of settlement by BAS in which it neither admitted nor denied the findings, the SEC issued an administrative order. The SEC found that from July 2000 through July 2003, BAS, Banc of America Capital Management, LLC ("BACAP") and BACAP Distributors, LLC ("BACAP Distributors") facilitated market timing and late trading by some introducing broker-dealers and a hedge fund at the expense of shareholders of Nations Funds and other mutual fund families, provided account management tools and other assistance, and enabled introducing broker-dealers to conceal their client's market timing activities from mutual funds. In the order, BAS was: (1) censured; (2) ordered to cease and desist from committing or causing any present or future violations of 17(a) of the Securities Act, 10(b), 15(c) and 17(a) of the Exchange Act and Rules 10b-5, 15c1-2, and 17a-4 thereunder and Rule 22c-1, as adopted under 22(c) of the Investment Company Act, and from causing any present or future violations of 34(b) of the Investment Company Act and 206(1) and 206(2) of the Advisers Act; (3) ordered to pay, jointly and severally with BACAP and BACAP Distributors \$250 million in disgorgement plus a civil monetary penalty of \$125 million. BAS also agreed to comply with certain undertakings including: (1) maintaining a compliance and ethics oversight infrastructure having, among other things, a code of ethics oversight committee, an internal compliance controls committee, a senior level compliance officer for conflicts of interest and a corporate ombudsman;



(2) retaining an independent compliance consultant to, among other things, review compliance, supervisory and other policies and procedures and adopt such procedures; (3) undergoing third party compliance review every other year; and (4) retaining an independent distribution consultant.

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

On November 15, 2002, the NYSE entered a decision in which it found that between approximately July 1999 through February 2002, Merrill Lynch employed 23 individuals who were subject to statutory disqualification as the result of a criminal conviction prior to being hired by the Firm. NYSE alleged that notwithstanding the fact that at or about the time of hire, each of the 23 individuals disclosed the existence of the criminal convictions to Merrill Lynch, the firm failed promptly to investigate or make inquiry into the information provided by the employee and allowed the employee to be hired in violation of NYSE Rules 346(f), 351(a)(9) and 342 and federal securities laws. Merrill Lynch consented to (1) a censure; (2) a fine of \$300,000 and; (3) a requirement that among other things Merrill Lynch retain an outside consultant, to perform a review and prepare a report, that the firm would be required to adopt, of the firm's systems, policies and procedures, including recommendations for different or additional systems, policies or procedures, if necessary, relating to the hiring of individuals who are subject to statutory disqualification including those who disclosed their criminal convictions during the hiring process.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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

For purposes of Form ADV Part 2, MLPF&S management persons include William C. Caccamise (CRD# 2547189), Gloria R. Greco (CRD# 4795234), Anthony J. Guardino (CRD# 2907957), Sallie L. Krawcheck (CRD# 2269652), Thomas K. Montag (CRD# 1474696), Isaac Osaki (CRD# 4910551), Douglas G Preston (CRD# 2586917), Robert Qutub (CRD# 4623123), Michael B. Radest (CRD# 1687387), and Bruce R. Thompson (CRD# 2148942). In addition, Thomas J. Latta (CRD# 1696503), John R. Manetta (CRD# 2163095), James G. Russell (CRD# 1053157), Lisa Shalett (CRD# 2895449), Anil Suri (CRD# 2540257),



Michael J. Walsh (CRD# 2138122), and Christopher J. Wolfe (CRD# 2055127) are also considered management persons of Merrill Lynch as a result of their membership on the IMG Investment Committee. In the future, additional Merrill Lynch personnel may be considered management persons and, as such, may be registered, or have applications pending to register, as registered representatives and associated persons of Merrill Lynch to the extent necessary or appropriate to perform their job responsibilities.

Merrill Lynch & Co., Inc. ("ML&Co."), a wholly-owned subsidiary of Bank of America, through its subsidiaries and affiliates, provides broker-dealer, investment banking, financing, wealth management, advisory, asset management, insurance, lending and related products and services on a global basis. These products and services include securities brokerage, trading and underwriting; investment banking, strategic advisory services (including mergers and acquisitions) and other corporate finance activities; wealth management products and services including financial, retirement and generational planning; asset management and investment advisory and related recordkeeping services; origination, brokerage, dealer and related activities in swaps, options, forwards, ETFs, 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.

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

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

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

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

We have adopted an Investment Adviser Code of Ethics (the “Code of Ethics”) covering our 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 requires employees to meet the high standards that we follow in conducting our 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. We will provide a copy of the Code of Ethics to you upon request.

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

All employees are subject to our Guidelines of Business Conduct and are committed to the observance of the highest ethical standards and the exercise of proper judgment in all aspects of their business dealings.

We acknowledge that we are subject to fiduciary responsibilities under the Advisers Act with respect to the investment advisory services provided pursuant to the Agreement. If your Account is subject to ERISA, we may also be considered a fiduciary under ERISA, but only to the extent that we provide investment advice in relation to a transaction we recommend to you. If you are an ERISA Plan fiduciary, you may invest the Plan in Related Products, including Related Funds (as defined below), as part of IAP, but you must make an independent determination that the Related Products are suitable and appropriate for the ERISA Plan. We will not be considered to have fiduciary responsibility in connection with that selection.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

In IAP, your Financial Advisor’s investment advice may be largely based on the research opinions of BofAML Research. We do, and seek to do, business with companies covered by BofAML Research and as a result, we may have a conflict of interest that could affect the objectivity of its research reports or those securities that are recommended for purchase and/or sale in your Account. In addition, we, your Financial Advisor and other personnel, may hold the securities of companies subject to such research. We may also provide bids and offers, and may act as principal market-maker to the same securities or issuers of securities held in your Account.

**PRINCIPAL, AGENCY CROSS AND CROSS TRADES****PRINCIPAL TRANSACTIONS**

We and our affiliates may act as principal in effecting an investment transaction for your Account, in accordance with applicable law and the terms of your Agreement. If we effect a principal transaction in a Fee Covered Asset for your Account, then in addition to the IAP Fee, we will receive additional compensation in the form of the dealer spread (the difference between the bid and the offer prices). If you purchase a security from us when we act as an underwriter or dealer in a distribution, the transaction will be effected at the public offering price and we will receive an underwriting fee or selling concession with respect to the transaction. This additional compensation creates a conflict of interest and may give us an incentive to recommend transactions in securities that we have in our own inventory and that may be otherwise difficult to sell. You may revoke your consent for us acting as principal in transactions for your Account at any time by notifying us in writing. Consenting to our acting as principal in transactions for your Account is required in order to participate in IAP. If you participate in IAP, and you revoke your consent to principal transactions, we in our sole discretion will terminate your participation in IAP.

AGENCY CROSS TRANSACTIONS

We or one of our affiliates may, at times, act as agent for both buyer and seller in effecting investment transactions involving IAP clients or other advisory clients ("agency cross transactions"), in accordance with applicable law. When we act as agent for both parties to an agency cross transaction, we may receive compensation from both parties, and will have a potentially conflicting division of loyalty and responsibility. By signing the Agreement, you consent to us acting as your agent in effecting agency cross transactions for your Account when we consider them advisable and consistent with applicable law. You may revoke the consent at any time by notifying us in writing.

EXCHANGE-TRADED NOTES

We may recommend that you purchase certain exchange-traded notes, such as ELEMENTSSM, that are distributed by us. Investors will pay a per annum investor fee and in certain circumstances, a repurchase fee, each of which is disclosed in the prospectus or prospectus supplement for such note. We expect to receive from issuers of these notes a portion of the investor fee in return for establishing ELEMENTS and for other services that we have or will render in connection with ELEMENTS, including, among other things, structuring the terms of ELEMENTS, preparing marketing materials, proposing hedging transactions to the issuer, developing and maintaining a public website, and if agreed for a particular series of ELEMENTS, acting as calculation agent. These fees will be negotiated individually with issuers, and we currently expect that the fee we will receive will not exceed 0.75% per annum of the aggregate outstanding value of each ELEMENTS. In addition, we may also act as counterparty to the issuer's hedge transaction(s) and will receive fees for such transactions. These services are more fully discussed in the respective prospectus or prospectus supplement for each ELEMENTS. With respect to any Retirement Account, any portion of the investor fee paid by the issuer to us in connection with the issuance of ELEMENTS in excess of its costs in structuring ELEMENTS will be credited to your Retirement Account pro rata on a monthly basis.

Our receipt of a portion of these investor fees, and also other business relationships that we may have with the issuers of ELEMENTS, may constitute a conflict of interest with our acting as adviser to your IAP Account since this may provide us an incentive to recommend the purchase of ELEMENTS in your Account. ELEMENTS may also present conflicts of interest as described in the applicable prospectus or prospectus supplement.

**FUNDS AND RELATED INVESTING**

We may recommend that you invest in shares of Related Funds and Unrelated Funds through IAP. Related Funds and Unrelated Funds that are treated as Fee Covered Assets for IAP Fee purposes will consist only of classes of shares with no CDSC or front end sales loads (or with such charges waived).

The Funds in which your Account invests may pay some of these fees, including investment management fees and Rule 12b-1 fees, to Merrill Lynch, a Related Company, or their respective affiliates. You will receive the prospectus or other disclosure document for each Fund in which you invest, which will describe the Fund's fees and expenses in detail. These fees and expenses represent the Fund's costs for services that may be similar to, or duplicative of, services that we provide to your Account and for which you pay the IAP Fee. Certain Accounts may receive a credit for these Fund fees and expenses in their IAP Account, to the extent required by law.

Sponsors or other affiliates of ETFs and similar products may pay fees to us or our affiliates for licensing or other arrangements. These fees are typically calculated as a percentage of the assets of the ETF or other product, and they are generally paid by the sponsor or its affiliate and not out of the assets of the ETF or other similar product.

The investment adviser(s) for the BofA Funds are Related Companies and Program Accounts may be invested in these Related Funds. We may receive compensation when you invest in shares of these Related Funds in a Program Account. We potentially benefit from our economic interest in Related Companies and our relationship with Bank of America whenever such entities or their affiliates receive compensation for providing investment advisory, administrative, transfer agency, distribution or other services to their Related Funds or other investment products. The extent of this benefit may be greater than when we or our affiliates do not have an economic interest in the firm providing such services. As a result, we may benefit from increased sales of Funds and other investment products of Related Companies and Bank of America affiliates for you to a greater extent than from increased sales of funds or investment products sponsored by other firms in which we and our affiliates do not have a similar economic interest or relationship.

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

Each of the Related Funds pays investment management fees to an affiliate Bank of America and, like Unrelated Funds, incurs other expenses. The rates of investment management fees paid by the BofA Funds to a Bank of America affiliate range from 0.20% to 0.25% of average daily net assets and are described in each Related Fund's prospectus. We or our affiliates may also provide other services to the Related Funds for which they receive compensation such as transfer agency, administrative, accounting and printing services, as described in the Funds' prospectuses.

You should review the prospectus or disclosure document, if applicable, for any Fund in which your Account invests, which contains important information about the Fund's objectives, risks, management fees, applicable sales charges and other charges and expenses.

If your Account invests in a Fund, unless fees and expenses borne by the Fund are credited against the IAP Fees you pay under the Agreement, you will indirectly pay, through the Fund's net asset value, if applicable, your proportionate share of the Fund's costs for services that may be similar to, or duplicative of, services rendered as part of IAP and paid for directly through the IAP Fees. In addition to these Service Fees, we or our



affiliates receive fees paid by certain ETF or similar product sponsors or their affiliates for licensing or other arrangements. These fees, which are typically calculated as a percentage of the assets of the ETF or similar product, are not generally borne by the Fund, but are instead paid directly from the sponsor or an affiliate to us or our affiliates.

Each mutual fund available through IAP, or the mutual fund's adviser, principal underwriter or other agent, has entered into an agreement with us for the performance of subaccounting and related services (including account recordkeeping, transaction processing, reporting and corporate action services) for mutual fund shareholders that maintain their mutual fund shares in a Merrill Lynch securities account (including participants in IAP). We are paid fees ("subaccounting fees") for performing these services. Subaccounting fees are not paid directly out of the account, but are either borne by the mutual fund, like other mutual fund expenses, or by the mutual fund's adviser, principal underwriter or other agent. The aggregate amount of subaccounting fees we receive in connection with IAP will depend on the number of mutual funds in which your Accounts are invested and/or the value of the investments in such mutual funds. For all accounts other than a Retirement Account (as described below), depending on the mutual fund or the mutual fund's adviser, principal underwriter or other agent's arrangement with us, the subaccounting fees paid to us with respect to any particular mutual fund in which your Account is invested will be at the annual rate of 0.10% of the amount invested in such Fund or \$16 annually per position in the mutual fund, as applicable. These fees are subject to change.

You can purchase mutual fund shares directly from the mutual funds, their agents, or through us, without enrolling in IAP. If you do so, you would not pay IAP Fees. However, you might not be eligible to purchase the same share class for each of the mutual funds available through IAP and/or the purchase of the same or a different share class may be subject to applicable sales charges. Certain mutual funds may have conditions or restrictions regarding the purchase or holding of mutual fund shares, including minimum purchase requirements and fees for redemption of shares within a specified period of time. You should review the prospectus or Statement of Additional Information, as applicable, for any mutual fund in which your Account invests, which contains important information about the mutual fund's objectives, risks, management fees, applicable sales charges and other charges and expenses.

Bank of America has a financial interest in certain other investment advisers, such as BlackRock and Nuveen. Although BlackRock and Nuveen are not deemed "Related Companies" or affiliates of Merrill Lynch or Bank of America, we may have a conflict of interest when considering whether to recommend that clients purchase or sell shares of BlackRock and Nuveen Funds or other BlackRock and Nuveen products and may benefit from increased sales of such Funds/products to a greater extent than from increased sales of Funds/products sponsored by other firms.

RETIREMENT ACCOUNTS

If your Account was established for a Retirement Account, the subaccounting fees, if any, paid to us with respect to any particular mutual fund in which your Retirement Account is invested will be used to offset the IAP Fee payable to us. If your Retirement Account is invested in shares of a Related Fund that is not a Related Money Market Fund, then your Retirement Account's pro rata share of the advisory fees paid by such Related Fund to our affiliate will be used to offset the IAP Fees payable to us, as required by applicable law. Your Retirement Account will also be credited, on a monthly basis with the Account's pro rata share of any Rule 12b-1 fees (calculated daily) and subaccounting fees paid by a mutual fund to us or our affiliate. Please see the section entitled *Account Fees* above for information about maximum fee rates that may apply to Retirement Accounts. Please note that ETFs advised or sponsored by Related Companies may be considered



Related Funds. Where required by applicable law, we will rebate the operating expenses for such ETFs in certain account types enrolled in IAP.

By signing the Agreement, you

- Acknowledge receipt of the prospectuses or other required disclosure documents, if applicable, for the Related Funds;
- Represent that you are independent of and unrelated to us and our affiliates; and
- Approve the investment advisory and other fees paid by the Related Funds that are mutual funds in relation to the fees payable pursuant to the Agreement.

You may revoke or modify the approval reflected above at any time by notifying us in writing, which will be effective upon its receipt. Such notice should include instructions regarding the disposition of the proceeds of the sale of Related Fund shares then held in your Retirement Account.

ACTING AS GENERAL PARTNER

Certain Merrill Lynch affiliates act as general partners or managing members in a variety of limited partnerships and limited liability companies, as well as in other capacities, for investment vehicles such as 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 Merrill Lynch. The investments of these commingled vehicles and other entities may vary but include, without limitation, real estate, futures, hedge funds, and other alternative investments.

OTHER FINANCIAL INTERESTS

We and our 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 us and our Financial Advisors or with respect to their compensation. It is the responsibility of each client 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, our Financial Advisors and our affiliates will receive economic benefits from cash investments held in your Account despite the fact that cash and amounts in the money market demand account are considered Excluded Assets for IAP Fee calculation purposes. This conflict may be greater when your Financial Advisor recommends that you maintain higher cash balances in your Account. At times, however, your Financial Advisor may believe that it is in your interest to maintain assets in cash, particularly for defensive purposes in volatile markets.

Your Financial Advisor will not be precluded by any of these conflicts from making such recommendations. Moreover, Financial Advisors may have an incentive to encourage you to use the cash sweep arrangements rather than to invest in other cash vehicles from which we receive less compensation. Although neither the cash swept into the sweep vehicle nor other cash investments is subject to the IAP Fee, your Financial Advisor is paid a portion of the revenue we receive from the Related Depository Institution and this compensation may be more than compensation paid to your Financial Advisor on other investments made with cash in your IAP Account.



As discussed above, the only IAP Accounts eligible for 100% Fixed-Income Account Fee rate are those that exclusively hold fixed-income securities. Accounts holding any mutual funds that are Fee Covered Assets, except for money market funds, are not eligible for the 100% Fixed-Income Account Fee rate, and will be billed at the Equity/Balanced/Fixed-income Account Fee rates. If you are interested in investing Account assets in 100% fixed-income securities and instruments, it may be more expensive if your Account invested exclusively in fixed-income mutual funds as opposed to fixed-income securities and that your Financial Advisor may have a conflict of interest in recommending that you buy shares of mutual funds as opposed to fixed-income instruments.

Because revenue paid to us from Excluded Assets or Fee Deferred Assets may be more than revenue paid on Fee Covered Assets, Financial Advisors have an incentive to recommend transactions in Excluded Assets and Fee Deferred Assets.

You may invest in a Fund that may engage in transactions for its investment portfolio with us or our affiliates, including on a principal basis, and any compensation that we or our affiliates receive would be in addition to the Account Fees you pay under the Agreement.

We will receive revenue and other economic benefits to the extent that assets in your IAP Account are purchased on margin since the IAP Fee is applied to all Fee Covered Assets in your IAP Account, including those that have been bought on margin, and you must also pay margin interest. Your Financial Advisor receives a portion of the IAP Fee that is charged on your Account and may receive margin interest as compensation and therefore has an incentive to recommend the use of margin. Your Financial Advisor also has an incentive to encourage the use of margin to purchase additional Fee Covered and Fee Deferred IAP Assets instead of recommending the sale of an existing Account asset to buy new assets. The use of margin to buy additional IAP Account assets keeps the total value of the Account, and the IAP Fee imposed from which your Financial Advisor is compensated, more than it would otherwise be without the use of margin.

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

INVESTMENTS IN SECURITIES 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 IAP 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, Funds 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.

We or our affiliates may have investment banking or other relationships with certain publicly traded companies; these relationships may from time to time compel us to forego trading in the securities of these companies. In the course of investment banking and other activities, our affiliates may acquire confidential or material non-public information that may prevent us or our affiliates, for a period of time, from purchasing, selling or recommending particular securities for your Account. We and our affiliates are not permitted to divulge or to act upon this information with respect to our advisory or brokerage activities.

In addition to providing non-discretionary investment advisory and brokerage services to the IAP accounts, these Financial Advisors may also service other advisory or brokerage accounts for clients who do not



participate in IAP and may offer and provide other services to clients who, in addition to participating in IAP, have other relationships or dealings with us or our affiliates.

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

REVIEW OF ACCOUNTS

You will have the opportunity to participate in semi-annual reviews of your Account with your Financial Advisor. These reviews provide important information, and we strongly encourage you to take advantage of these opportunities. In addition, you are not limited on your ability to contact your Financial Advisor and are welcome and encouraged to discuss any questions or concerns you may have at any time. You may also discuss any questions with the Office Management Team (OMT) within the Merrill Lynch branch office in which your Financial Advisor is located. We can also be contacted at our 24-hour Assistance Line at 1-800-MERRILL or, from outside the United States, (609) 818-8000.

ACCOUNT REVIEWS

Your Financial Advisor may use internal investment guidelines to supervise activity in your IAP Accounts, which include levels of or targets for diversification, concentration and certain other guidelines and oversight measures that it may deem appropriate from time to time. You and your Financial Advisor may agree to target asset allocations that are different from any published or suggested Merrill Lynch asset allocation models, and you may establish reasonable investment restrictions on your Account, which will be reflected in your Relationship Policy Statement. Your Financial Advisor may review your Account's adherence to the internal investment guidelines, its target asset allocation and your investment restrictions, as applicable. Your Financial Advisor may notify you when and if your Account deviates from the target asset allocation or the internal investment guidelines. You may be required to take action in order to bring your Account back in line with these parameters. If you decide not to do so, your IAP Account may need to be terminated. We reserve the right to modify our practices regarding the internal investment guidelines, target asset allocation or client-imposed restrictions in our sole discretion at any time without notice.

Our supervision and monitoring of IAP Accounts does not substitute for your own continued review of your Account and the performance of investments. You are responsible for reviewing your Relationship Policy Statement and periodic performance reports in light of your chosen asset allocation and investment performance, trade confirmations, monthly account statements, and other information sent to you. If any discrepancies are identified, you should promptly report these discrepancies to your Financial Advisor.

PERIODIC PERFORMANCE REPORTS AND SEMI-ANNUAL REVIEWS

You may receive periodic performance reports for your Account upon your request, and as part of the semi-annual account review, discuss any amended information you have to the Relationship Policy Statement. These reports contain important information regarding the Account asset allocation, investment performance and other Account details necessary for you to track your progress towards reaching your goals for your IAP



Account. An important part of the IAP relationship involves providing you with the opportunity to engage in semi-annual account reviews in which your Financial Advisor reviews your Account's progress towards goals. Because these reviews provide you with important and necessary information relating to your IAP Account, you are strongly encouraged to take advantage of these opportunities to participate in these semi-annual account reviews with your Financial Advisors.

CLIENT REPORTS

You will be sent confirmations of all transactions executed for your Account, as required by applicable law. When we act as a custodian, we will provide you with an Account statement in any month in which there is trading or other activity in your Account (or if none, then quarterly). We may also provide you with periodic performance reports and as part of the semi-annual review discuss amendments to the Relationship Policy Statement. You will be sent a copy of the prospectus or disclosure document, if applicable, of each security or investment product purchased, as required by applicable law.

CLIENT REFERRALS AND OTHER COMPENSATION

OTHER COMPENSATION

We have arrangements with certain Funds or their principal underwriters, investment managers or other agents, pursuant to which we may receive additional compensation. The additional compensation relates to the investment in such Funds by clients in IAP and may be based on a variety of different factors. These Funds, principal underwriters or other agents may pay for, or reimburse us to cover, various costs arising from sales and marketing materials, client and prospective client meetings, and educational, training and sales meetings held with Financial Advisors and other Merrill Lynch personnel relating to IAP and asset management. The Funds, principal underwriters, investment managers or other agents may also make charitable contributions or cover the costs of reasonable entertainment in connection with our sponsored or client-related events. The Funds, principal underwriters, investment managers or other agents may also participate in other conferences and seminars unrelated to IAP but sponsored by us and may reimburse us to cover various costs of those conferences and seminars.

We address these conflicts through disclosure in this Brochure.

COMPENSATION FOR CLIENT REFERRALS

We have entered or may enter into marketing arrangements with third parties who, for compensation, will provide certain services to us in connection with the marketing of our various advisory services, including IAP, or for referring prospective clients to us. Each such marketing arrangement is or will be governed by a written agreement between us and the third party, and will be disclosed to clients, as required by law.

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

FINANCIAL INFORMATION

Not applicable.

**GLOSSARY**

“Account” means each of the securities accounts to which the Agreement applies

“Account Information” means information you provide regarding your overall circumstances, financial goals and risk profile, including the Account’s investment objective, relevant to the intended purpose for the Account.

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

“Agreement” means the IAP client agreement between you and Merrill Lynch, as it may be amended from time to time.

“AWC” means a FINRA Letter of Acceptance, Waiver and Consent.

“Bank of America” means Bank of America Corporation.

“BlackRock” means BlackRock, Inc, and its affiliates.

“BlackRock Funds” means Funds sponsored, managed and/or distributed by BlackRock or its affiliates.

“BofA Funds” means certain Funds sponsored, managed and/or distributed by BofA™ Global Capital Management Group, LLC.

“BofAML Research” means Bank of America Merrill Lynch Global Research.

“Brochure” means the Merrill Lynch wrap program brochure relating to IAP, as amended or updated from time to time.

“Code of Ethics” means the Merrill Lynch Investment Adviser Code of Ethics.

“ELEMENTSSM” means an exchange-traded note that is distributed by Merrill Lynch.

“Eligible U.S. Funds” means investment companies organized within the United States or its territories or possessions.

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

“ETF” means an exchange-traded fund.

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

“Excluded Assets” mean assets that are not subject to the IAP Fee at all.

“Fee Covered Assets” means assets that are subject to the IAP Fee.

“Fee Deferred Assets” means assets that are subject to the IAP Fee one year after they are purchased in an IAP Account.

“Financial Advisor” means a Merrill Lynch Financial Advisor or our affiliate’s Financial Advisor.

“FINRA” means the U.S. Financial Industry Regulatory Authority.

“Funds” means registered and unregistered investment companies, including mutual funds, closed-end funds, ETFs, exchange traded notes, Offshore Funds, real estate investment trusts and other pooled investment vehicles, and to the extent applicable, funds domiciled in jurisdictions outside of the United States.



“IAP” means the Merrill Lynch International Asset Power Service.

“IAP Fee” means the fee that IAP clients pay for IAP.

“Investment Company Act” means the U.S. Investment Company Act of 1940, as amended.

“Merrill Lynch,” “us,” “we,” or “our” means Merrill Lynch, Pierce, Fenner & Smith Incorporated.

“ML&Co.” means Merrill Lynch & Co., Inc.

“Nuveen” means Nuveen Investments, Inc. and its affiliates.

“Nuveen Funds” means Funds sponsored, managed and/or distributed by Nuveen and its affiliates.

“NYSE” means the New York Stock Exchange LLC.

“Offshore Funds” means investment companies organized in jurisdictions not within the United States or its territories or possessions, not registered under the Investment Company Act and whose securities are not registered under the Securities Act.

“Registered Fund” means any Fund that is registered under the Investment Company Act, including mutual funds, closed-end funds, ETFs, and money market funds.

“Relationship Policy Statement” means the IAP document that states your investment goals, risk tolerance, time horizon and other investment parameters for your Account.

“Related Company” means a company that is an affiliate of Merrill Lynch or in which Merrill Lynch or an affiliate of Merrill Lynch has a material ownership interest. BlackRock and Nuveen are not considered Related Companies.

“Related Depository Institution” means an affiliated bank or a depository institution with which Merrill Lynch has a contractual relationship.

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

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

“Related Product” means an investment product sponsored or advised by Merrill Lynch or a Related Company.

“Retirement Account” means an ERISA Plan, a tax qualified plan of self-employed persons or an individual retirement account.

“Rule 12b-1 fees” means fees pursuant to Rule 12b-1 under the Investment Company Act.

“SEC” means the U.S. Securities and Exchange Commission.

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

“Service Fees” means expenses, which may include underlying investment management fees (including incentive or performance fees where applicable), Rule 12b-1 fees (if applicable), as well as shareholder servicing, custodial, accounting, transfer agency, administrative and other fees, certain of which are payable to Merrill Lynch and/or its affiliates.

“SIPC” means the Securities Investor Protection Corporation.

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



“Unrelated Custodian” means a custodian that is not Merrill Lynch or a Related Company.

“Unrelated Fund” means a Fund neither sponsored nor advised by Merrill Lynch or a Related Company.

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

“100 % Fixed-Income Account Fee” means the IAP Fee that Accounts that exclusively hold Fee Covered Assets that are fixed-income securities.