

Merrill Lynch Personal Investment Advisory[®] Program

Disclosure Statement April 22, 2011



Please retain for your records

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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). 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, 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**.

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MATERIAL CHANGES

On March 31, 2011, Merrill Lynch filed its annual update for its PIA 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 Disclosure Statement, no longer will apply to BlackRock Funds.

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SERVICES, FEES AND COMPENSATION

Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") 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. As used in this Brochure, "you" refers to the client. "We," "us," and "our" refers to Merrill Lynch.

DESCRIPTION OF PIA

This Brochure relates to the Merrill Lynch Personal Investment Advisory[®] program ("PIA"), an investment advisory program offered by Merrill Lynch. This Brochure also contains important information relating to clients' responsibilities for their Accounts, certain conflicts of interest involved with the services offered, and other matters. 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.

PIA is a fee-based investment advisory program designed to help you meet your investment objectives by offering discretionary management of your Account through your Financial Advisor. You may also choose to have your Account managed by a Financial Advisor who is not the Financial Advisor primarily responsible for your relationship with Merrill Lynch. In these cases, the Financial Advisor selected to manage your Account will be responsible for exercising investment discretion over the assets in the Account.

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

To open a PIA Account, you must first enter into a Client Agreement. The Client Agreement, among other things, grants us the discretionary authority to make purchases and sales for your Account.

The management and performance of accounts across PIA and within the accounts managed by each PIA Financial Advisor will vary depending upon various factors including the investment strategy used to manage the account, the individual client's investment objectives, the date the account was opened, the timing of purchases, sales and re-balancings, client-imposed restrictions (if applicable), fees, the amount of cash maintained in the account, and market conditions. Investments in your Account may be held long-term (over one year) or short-term (under one year). More frequent trading (purchases and sales within thirty days) and short sales may also be utilized.

We have established certain parameters and guidelines relating to the management of your Account. These guidelines and parameters cover various topics including, but not limited to:

- The types of securities available to be purchased for your Account based on BofAML Research and third-party research opinions as defined in the section entitled *Related Person Portfolio Managers - Information about Advisory Services – Methods of Analysis, Investment Strategies and Risk of Loss*;
- Investment guidelines; and
- Certain regulatory requirements.

The applicability of any of these parameters to your Account will depend upon a variety of factors including:

- The investment strategy being implemented for your Account;
- The investment objectives for your Account;
- The investment restrictions that you may impose (if any);
- The amount of cash maintained in your Account; and
- Market conditions.

Financial Advisors may invest the assets in your Account using either (a) a proprietary model investment strategy created by BofAML Research or other Merrill Lynch investment professionals ("Proprietary Model Portfolio Strategy"), or (b) a custom investment strategy created by your Financial Advisor ("Financial Advisor-Created Investment Strategy"). We will notify you of the type of investment strategy in which your Account is invested. Your Financial Advisor may change the investment strategy based on various factors,

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including changes in your financial situation or investment objectives, and/or market conditions. Some Financial Advisors may only offer Proprietary Model Portfolios. You should discuss your available options with your Financial Advisor.

If your Financial Advisor manages your assets on a discretionary basis by implementing a Proprietary Model Portfolio Strategy, your Financial Advisor must generally follow the Proprietary Model Portfolio Strategy. We will monitor your Account for adherence to such strategy. In these cases, the assets in the Account will generally consist of the same securities, and weightings of such securities, as those recommended by BofAML Research. You may permit your Financial Advisor to invest your Account in:

- Any Proprietary Model Portfolio Strategy that is consistent with your Account's Investor Profile; or
- Any Proprietary Model Portfolio Strategy consistent with an Investor Profile one risk level lower than your Account's Investor Profile by completing the Expanded Proprietary Model Portfolio Strategy Option Form.

As an example of the second option, if your Account has a "Moderate" Investor Profile, your Financial Advisor may select a Proprietary Model Portfolio Strategy that is consistent with a "Moderately Conservative" Investor Profile. When utilizing this feature, the Proprietary Model Portfolio Strategies associated with a lower risk level may be somewhat more conservative than those associated with a higher risk level and expected returns may also be lower. In addition, this feature permits your Financial Advisor to use his or her discretion to move back and forth between Proprietary Model Portfolio Strategies associated with the two Investor Profiles.

As a general rule, your Account will be rebalanced to the applicable Proprietary Model Portfolio Strategy on an annual basis. We will notify your Financial Advisor when changes are made to the Proprietary Model Portfolio Strategy (with respect to both the securities and the weighting of each security). However, due to the timing of the implementation of such changes in your Account and other factors, in certain circumstances, the weighting of the securities in your Account may drift from the established weighting of the Proprietary Model Portfolio Strategy recommended by BofAML Research or other Merrill Lynch investment professional.

Financial Advisors who manage your assets on a discretionary basis using Financial Advisor-Created Investment Strategies use their investment expertise and methodology supported by BofAML Research, Proprietary Model Portfolio Strategies, certain third-party research providers and other resources. These Financial Advisor-Created Investment Strategies may be tailored for different client needs, objectives, and risk tolerances which may change from time to time based on these factors. Although all Financial Advisors have available to them certain research and analytical tools and resources from us, Financial Advisor-Created Investment Strategies are based largely upon the Financial Advisor's investment experience and view of the financial markets, and therefore, the performance of any such Financial Advisor-Created Investment Strategy will be based largely upon your Financial Advisor's ability to develop and implement such strategy.

Financial Advisor-Created Investment Strategies vary in scope and complexity. Some Financial Advisor-Created Investment Strategies may be based on one or more Proprietary Model Portfolio Strategies, but may differ from such strategies with respect to the inclusion or exclusion of certain securities, the weightings of certain securities or may be rebalanced at different intervals. In addition, your Financial Advisor may choose to combine one or more Proprietary Model Portfolio Strategies to create an overall strategy that is different than any of the individual component model strategies. Your Financial Advisor may also implement a Financial Advisor-Created Investment Strategy that your Financial Advisor has developed independent of the Proprietary Model Portfolio Strategies.

Investment Selections

Your Financial Advisor may purchase different types of securities for your Account, including:

- Equity Securities
- Certain Funds, including closed-end funds and exchange traded funds (ETFs), and in limited circumstances, leveraged and inverse ETFs and closed-end funds;
- Exchange-listed and over-the-counter equity securities;

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- Rights to acquire the same;
- Warrants;
- Foreign ordinary securities;
- Certain ADRs;
- Derivatives;
- Corporate, municipal and U.S. and foreign government-debt securities, including those guaranteed by such governments or issued by their agencies;
- Income-producing securities;
- Certain asset-backed securities
- Master Limited Partnerships (MLPs)
- Real Estate Investment Trusts (REITS)
- Securities options; and
- Money market instruments.

Your Financial Advisor may purchase equity securities that have a “Buy,” “Neutral” or “Underperform” rating by BofAML Research, or that may not have a rating by BofAML Research. Your Financial Advisor also may purchase fixed-income securities rated by a rating agency as investment grade or below investment grade or fixed-income securities that are not rated.

Your Account also may invest in Funds. We will include these assets in the value of your Account for the purposes of calculating the PIA fees charged to your Account. Funds and other securities incur various fees and expenses, which can include management fees, trust operating expenses and other charges. Your Account will ultimately bear such fees and expenses, which are in addition to the PIA fees described in the fee section of this Brochure. Investment selections as described above may change over time as determined by us.

Your Account also may hold cash or cash equivalents (collectively referred to as “cash”) for a variety of purposes, such as:

- Fulfilling your Account’s allocation to cash (as an asset class);
- Transaction execution;
- PIA fee collection; and
- Asset safety purposes (e.g., during periods of volatile market conditions).

Although we maintain general guidelines relating to cash allocations, each of your Account’s cash allocations may differ based on the overall investment strategies relating to your Account or current market conditions. In certain limited circumstances, including periods of volatile market conditions and for other defensive purposes, such allocations may comprise a substantial portion of your Account.

Because of the business relationships of us and our affiliates (although they may be unrelated to PIA), there may be occasions when your Financial Advisor will be unable to purchase or sell certain securities for your Account, even if it is in your best interests to do so. This can arise in instances when insider trading policies, changes in research opinions or other activities prohibit trading in your Account. In addition, we may obtain information anytime through various non-PIA-related businesses that could be used to benefit the management of your Account, but which cannot be used for this purpose because of various legal prohibitions, such as the insider trading prohibition.

Reasonable Investment Restrictions

You may impose reasonable investment restrictions on the management of your Account. There are three types of investment restrictions that you may impose on your Account:

Individual security restrictions;

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Sector restrictions; and
ELEMENTSSM-related restrictions.

We will review your investment restrictions to determine, in our sole discretion, whether they are reasonable. In the case of restrictions involving categories of securities, unless you direct us in writing otherwise, we also will determine, in our sole discretion, the specific securities that will be included in the restricted category.

For reasonable restrictions applied to your Account that are managed using Proprietary Model Portfolio Strategies, the assets that would have been invested in the restricted security are either, in your Financial Advisor's discretion, allocated pro rata across the other investments held in your Account or to cash. Your investment restrictions will not apply to the underlying securities holdings of any Fund held in your Account.

We may limit the number of restrictions that you may impose to avoid unreasonable impact to the management of your Account. If we determine that your requested restrictions are unreasonable, or we are not able to comply with the requested restriction for any reason, we may choose not to accept the restriction, we may not permit you to open a PIA Account, or your Financial Advisor may recommend that you consider revising your restrictions or that you open an account in another Merrill Lynch program. We reserve the right to modify our practices regarding client-imposed restrictions in our sole discretion at anytime without notice to you.

Investor Profile

Generally, at the time you enroll to open a PIA Account, we will ask you to complete the PIA Enrollment Documentation (including the Investor Profile Selection Form and/or Profiling Questionnaire), which asks you to provide information about your Account, including the investment objective, risk tolerance, investment restrictions and other relevant information. Completing the PIA Enrollment Documentation does not make or imply any promise or guarantee of investment returns or the achievement of your Account's investment objective. You represent in your Client Agreement that the information you provided in the PIA Enrollment Documentation is accurate and complete in all material respects. It is important that you provide accurate and complete information and that you understand that we will rely upon this information in providing investment advisory services to your Account. Your failure to provide accurate information may affect the suitability of the services that we provide to your Account. After your Account is opened, it is your responsibility to notify your Financial Advisor promptly of any material changes in your financial circumstances, the investment objectives of your Account, any investment restrictions (if any) or any other factors that might affect the management of your Account. Your Financial Advisor is not required to verify the accuracy of any such information. You should also understand that we will not have any responsibility to review, monitor, accept or adhere to any investment policy statement or similar document relating to your Account and that adherence to such investment policy statement or similar document is solely your responsibility.

Risk and Tax Disclosure

You should understand that all investments involve risk (the amount of which may vary significantly), investment performance can never be predicted or guaranteed and the values of your Account will fluctuate due to market conditions and other factors. You are assuming the risks involved with investing in securities and other investment products, and should understand that you could lose all or a portion of the amount held in your Account. There is no assurance that we or your Financial Advisor will perform better than or equal to the performance results of any benchmark or index used in connection with PIA or by your Financial Advisor. Market movements and other factors may result in significant differences between the performance of your Account and any investment objectives set forth in your Investor Profile Selection Form and/or Profiling Questionnaire. The investment decisions made, and the actions taken, for your Account, are subject to various market, liquidity, currency, economic and political risks, including the risk of terrorist attacks and war, and will not necessarily be profitable. An adverse event may cause increased market volatility, and market forces may cause particular sectors, industries or securities to appreciate or depreciate dramatically. If your Account is invested in such sectors, industries or securities, it may become less diversified due to the resulting concentration within your Account. We make no representations or warranties with respect to the present or future level of risk or volatility in your Account. You should read the prospectus or disclosure document, as applicable, for each investment selection purchased for your Account.

In certain circumstances, you may specify (and we may accept) investment management guidelines that may require your Financial Advisor to invest in a concentrated style (*i.e.*, account holdings in one or a few sectors

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or securities). In addition, you may impose restrictions on your Account that may result in your Account being concentrated in one or a few sectors, industries or securities. Concentrated portfolios typically increase the risk and volatility of an Account and may result in a decrease in diversification. As discussed above, we may determine not to accept such guidelines and/or restrictions.

You should also understand that we or your Financial Advisor may sell all or a portion of your securities either at the initiation of, or during the course of the management of, your Account. You are responsible for all tax liabilities arising from such transactions, as well as all other tax liabilities resulting from any other transactions for your Account. If you are not a resident of the United States, you will assume all of the adverse tax consequences and other risks involved in investing in U.S. securities. Furthermore, you acknowledge that ordinary income dividends, including distributions of short-term capital gain, paid by Registered Funds to you, will be subject to a United States withholding tax under existing provisions of the Internal Revenue Service Code of 1986 applicable to foreign individuals and entities, unless a withholding exemption is provided under applicable treaty law.

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

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

We do not, and will not, offer tax advice to you on any such issues and we strongly encourage you to seek the advice of a qualified tax professional about any tax aspects relating to the management of your Account. We are not responsible for making any tax credit or similar claim or any legal filing (including but not limited to proofs of claim) on your behalf.

FUNDING AND OPERATION OF PIA ACCOUNTS**Funding, Withdrawals and Additions of Assets in PIA Accounts**

You may open a PIA Account with cash, securities or a combination of both. When funding your Account with securities, you should bear in mind that all or a substantial portion of such securities may be sold at the inception of the Account, or over time. You should consider this factor before you fund your Account with securities. You will be responsible for any tax liabilities resulting from such transactions, as well as all other tax liabilities resulting from all transactions for your Account. For more information about the tax treatment of your Account, please see the section entitled *Description of PIA - Risk and Tax Disclosure* above.

You should generally hold in your Account only Funds that are eligible for PIA. Eligible Funds generally include those that have been held for at least one year or purchased at net asset value through another Merrill Lynch fee-based program or at another firm. In addition, you should understand that such Fund shares may be sold or exchanged as further described below. Please consult with your Financial Advisor as to whether your Fund shares are eligible to be held in your Account before funding your Account with such shares.

If you contribute or transfer Fund shares into your PIA Account, your Financial Advisor may sell such shares if the Funds are not eligible for PIA or if they are not part of the proposed PIA strategy. Additionally, any security purchased prior to enrolling in PIA and subsequently transferred into a PIA Account may be subject to the PIA fee immediately upon its transfer to PIA. This means that you may pay an up-front commission, load or fee (when the security was purchased prior to enrolling in PIA) as well as a PIA fee (once enrolled in PIA) in connection with the same security. You should consider all relevant factors, including that you may have paid front-end sales charges or may pay a CDSC, if applicable, which will be your responsibility. These charges are in addition to the PIA fees. Again, you should consult with your Financial Advisor as to whether

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you paid a front-end load on your Fund shares or whether you may be subject to a CDSC before transferring such shares into your Account.

In certain instances, you may hold ineligible securities (including ineligible Fund shares) in your Account at our discretion. Eligible and ineligible securities and Funds may change from time to time as determined by us. You also should not maintain in your Account investments, such as restricted stock, over which we and your Financial Advisor cannot exercise investment discretion. If you place such securities in your Account, you should be aware that PIA fees may be charged on these assets. You should contact your Financial Advisor with any questions.

Clients should understand that upon their account enrollment in the PIA program, the following services will not be available for that account: Checks, Visa[®] debit cards, web bill pay, online client orders, and systematic withdrawal services such as Move Money[®]/funds transfer disbursements.

Custodial Arrangements

Generally, we will maintain custody of assets in your Account. You may also have other accounts and assets at Merrill Lynch and may be charged fees for the maintenance of such accounts, for custody of assets and for other account related services. When we act as your 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 there is no trading activity, not less than on a quarterly basis.

Under certain circumstances, you may use custodians other than Merrill Lynch, including one of the trust companies affiliated with us to maintain custody of your assets. Where you retain a custodian other than us or retain a trust company (either affiliated or unaffiliated with us), you are responsible for paying that custodian's or trust company's fees. Depending upon the arrangement, these fees may be in addition to the applicable PIA fees paid to us. In this circumstance, your custodian or trust company, rather than us, will generally provide periodic custodial or trust statements. Your assets held by custodians other than us may not be protected by SIPC or "excess" SIPC coverage. Cash balances in accounts with custodians other than us will not be subject to the sweep arrangements discussed under the section entitled *Investment of Cash Balances*.

Investment of Cash Balances

Cash balances and funds pending investment in your Account will automatically be invested or "swept," either temporarily, as part of an asset allocation or for defensive purposes, in accordance with the cash sweep option that you selected in the underlying Merrill Lynch securities account agreement relating to your Account. Depending upon the type of securities account that you establish, cash balances will be swept to one or more Merrill Lynch Banks, Related or Unrelated Money Market Funds, or to another available cash option. With certain account types, a sweep option is not available. In that case, you will not be invested in one of the above sweep options at part of the Program.

For certain types of accounts, as provided in the applicable account agreement(s) with us, you may choose the particular sweep investment and/or direct the investment of cash outside of the sweep. Your Financial Advisor can help you identify the sweep investment or other cash options, if any, available to you, but neither we nor your Financial Advisor has the discretion to make the selection for you. If you do not select a sweep investment, then a default option will be selected according to the terms of your securities account agreement. Cash balances in accounts with custodians other than us will not be subject to these sweep arrangements. Unless otherwise agreed, your Account will be credited with any dividends, interest and principal paid on assets held in your Account.

Transactions in PIA Accounts

We generally consider it appropriate to use our own execution services (or those of an affiliated broker-dealer) for the purchase and sale of securities for your Account in light of the nature and extent of such services and that PIA fees generally cover our execution services and related transaction costs. You should note, however, that under certain circumstances, you may be able to obtain better execution of securities transactions from other broker-dealers.

In buying or selling securities (particularly those that customarily trade in "dealer markets"), we may, for legal or other reasons, select other broker-dealers. In selecting other broker-dealers, we are not obligated to

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solicit competitive bids. Rather, we select broker-dealers based on various factors such as the nature and quantity of the securities involved; the markets involved; the importance of speed, efficiency and confidentiality; the broker-dealer's apparent knowledge of such markets and sources from or to whom particular securities might be purchased or sold; the reputation and perceived soundness of the broker-dealer, and the ability and willingness of the broker-dealer to facilitate both purchases and sales of securities for PIA Accounts by participating in such transactions for its own account; the broker-dealer's clearance and settlement capabilities; as well as other factors relevant to the selection of a broker-dealer for the execution of client securities transactions, including best net price, which is, of course, an important but not exclusive factor. As noted above, PIA fees do not cover transaction or other charges resulting from trades effected through or with a broker-dealer other than us (or our affiliates).

In an effort to reduce market impact and to obtain best execution, your Financial Advisor may purchase or sell securities in bulk (or orders may be "batched") on the same day for some or all PIA accounts managed by the same Financial Advisor and perhaps our other clients. In such cases, the price of securities shown on client confirmations may be the average execution price on either all of the purchases or all of the sales aggregated for this purpose. Orders entered for your Account may be batched with orders entered for the Financial Advisor assigned to your Account, or the Financial Advisor's related accounts, and all orders in the batch will receive "average pricing." Moreover, for fixed-income securities, under certain circumstances, orders may be aggregated (among several PIA Financial Advisors or others) in order to reach or get closer to round lot size and thereby enhance order execution.

Account Fees

The current annual fee schedules are set forth below for the type of investment strategy you and your Financial Advisor select for your Account. In determining which fee schedule will be applicable to your Account, your Financial Advisor will consider many factors, including, but not limited to, the anticipated allocation of the assets in your Account between equity and fixed-income securities and the intended investment strategy applicable to your Account. Your Financial Advisor will generally make this determination at account opening or, in limited circumstances, when there is a material change to the investment strategy applicable to your Account. If you have any questions as to which fee schedule is applicable to your Account, please consult your Financial Advisor.

Asset Level	Annual Equity/Balanced Fee	Annual Fixed-Income Fee
\$50,000 - \$500,000	3.00%	1.25%
Next \$500,000	2.50%	1.00%
Next \$4,000,000	2.00%	0.75%
Next \$5,000,000	Customized	Customized

The PIA fees cover our discretionary account management as well as our custodial, transaction and other PIA account-related services. It is important to understand that the annual PIA fee does not cover all fees applicable to your Account and you should carefully review the section below entitled *Other Fees and Expenses* for more information on the fees that are not covered by the PIA annual fee. Generally, we will treat all assets in your Account as billable and subject to the applicable fee schedule; however, we reserve the right to designate assets as nonbillable and to re-designate a nonbillable asset as a billable asset.

The minimum annual fee for equity/balanced accounts is the lesser of 3% or \$2,000 (with a minimum quarterly fee of the lesser of ¼ of 3% or \$500), and the minimum annual fee for fixed-income accounts is the lesser of 1.25% or \$1,000 (with a minimum quarterly fee of the lesser of ¼ of 1.25% or \$250). In certain instances and in our discretion, we may waive your Account's minimum PIA fees. PIA fees are payable quarterly in advance. We may charge a pro rata fee (based on the number of days remaining in the billable period) on assets added to your PIA Account during any billing period.

The fees for PIA may be negotiable. However, negotiated fees generally cannot be lower than the minimum quarterly and annual fees described above. Fees may differ based on a number of factors including, but not limited to:

- The amount of assets in your Account;
- The number and size of related accounts you maintain at Merrill Lynch;
- The range and extent of services provided or to be provided to you; and

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- Your Financial Advisor.

You may be able to negotiate fee discounts based upon the total assets you maintain at Merrill Lynch. In certain circumstances, pricing arrangements typically involving multiple accounts in which the total assets of the accounts are subject to annual fees described above may also be available to you. The accounts may include accounts in programs outside of PIA, as determined by us. From time to time, we may enter into specialized agreements to provide particular or unique services to certain clients, subject to negotiated fees.

We may reduce the fees for certain of the services described in this Brochure for our employees or our affiliates or such employees and affiliates may be subject to prior fee schedules. If you want more information regarding the pricing options discussed above or any other services we offer, you should contact your Financial Advisor.

Fees and other account requirements may vary as a result of prior policies and/or fee schedules on the date your PIA Account was opened.

Calculation of Account Fees

For the initial calendar quarter of enrollment, PIA fees are calculated based upon the market value of your Account as of the last Friday of the first month of enrollment, and are prorated to cover the period from the effective date of your Account's inception until the last Friday in the quarter. For each subsequent calendar quarter, PIA fees are calculated based on the average value of your Account as of the last Friday of the previous quarter's three months (or, if the initial quarter, the months of enrollment). If your Account is enrolled after the last Friday in December, the last business day will be used instead of the last Friday.

The securities in your Account will be valued in a manner determined by us, in our sole discretion, using various sources, including quotation services, believed to be reliable. In some cases, values may be based on estimates. If values are unavailable or believed unreliable, values will be determined in good faith so as to reflect estimated fair market value. Values may vary from prices achieved in actual transactions, especially for thinly traded securities, and are not firm bids or offers or guarantees of any type with respect to the value of securities in your Account. For certain fixed-income securities (e.g., bonds), the values assume no unusual market conditions and are generally for lots 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, your annual fee may be calculated based on values for some securities that are greater than the amount you would receive if you sold those securities.

Your Account value used for the fee calculation may differ from that shown on your Account statement and performance measurement report due to a variety of factors, including trade date or settlement date accounting, treatment of accrued income, round lot valuation and other considerations. Further, the valuation of your securities reported in performance measurement reports or account statements 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 PIA fees.

Deduction of Account Fees

You have agreed in the Client Agreement as follows:

- Unless otherwise agreed to between you and Merrill Lynch, we will deduct your Account fee (and any other fees payable under the Client Agreement) from your Account;
- The PIA fees for your Account will be payable, unless otherwise indicated, first from the liquidation or withdrawal by us of your shares of any Related or Unrelated Money Market Funds or balances in any money market or bank deposit account, as you authorized in the Client Agreement, and second from free credit balances, if any, in your Account, and to the extent that such assets are insufficient to satisfy payment of such fees, we may bill you;
- You will make timely payment of all amounts due to us under the Client Agreement; and
- To the extent permitted by law, all assets in your Account or otherwise held by us for you will be subject to a lien for the discharge of your obligation to make timely payment to us of the PIA fees (and any other fees you pay under the Client Agreement), and we may sell assets in your Account to satisfy this lien.

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You may be able to pay PIA fees from assets held outside of your Account. You should contact your Financial Advisor for additional information.

ABILITY TO OBTAIN PIA SERVICES SEPARATELY

You may be able to obtain some or all of the types of services available through PIA from us or other firms on a separate or combined basis. Depending upon the circumstances, PIA 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 PIA 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 PIA.

Generally, you can purchase Fund shares that may be purchased for your Account directly from the Funds, their agents, or through us without enrolling in PIA. If you do so, you will not pay PIA fees. However, you may not be eligible to purchase the same share class for each of the Funds available through PIA and the purchase of a different share class may be subject to applicable sales charges and different expenses. Certain Funds may have conditions or restrictions regarding the purchase or holding of Fund shares, including minimum purchase requirements and fees for redemption of shares within a specified period of time. These fees may be in addition to any fees charged through PIA. More complete information about any of the Funds, including risks, management fees and other charges and expenses, is contained in each Fund's prospectus.

More broadly, when you compare the different types of accounts and programs we offer and their costs, you should consider these factors, among others:

- 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

PIA fees do not cover:

- Transaction charges resulting from trades effected through or with a broker-dealer other than us (or our affiliates);
- Markups or markdowns by such other broker-dealers;
- Transfer taxes;
- Margin interest;
- Redemption fees;
- Exchange or similar fees related to ADRs, charged by third parties;
- Trust-related fees (including those of affiliated with us);
- Issuers, electronic fund, wire or other account transfer fees;
- Fund fees and expenses;
- Annual investor fees and repurchase fees relating to ETFs; and
- Any other charges imposed by law.

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When we execute transactions in foreign ordinary securities outside the U.S., we may use the services of unaffiliated foreign broker-dealers. These foreign broker-dealers may handle your order as agent and assess a commission charge, or they may transact as principal and receive a dealer spread or markup/down. Additionally, to the extent a foreign currency conversion transaction is required to facilitate trade settlement, the foreign broker-dealer (or its affiliate) effecting the currency conversion will be remunerated in the form of a dealer spread or markup/down. Although the remuneration received by foreign broker-dealers is not disclosed to or by us in net price transactions, we shall undertake, at your written request, to determine this remuneration in a given transaction. The commission charges and/or dealer spreads of other broker-dealers also may accrue when foreign issuers terminate an ADR facility, thereby necessitating conversion of ADRs to foreign ordinary share form. In such circumstances, the prices obtained for the post-ADR security may be less beneficial to you than if the ADR remained intact. These commissions/dealer spreads are in addition to the fees payable under the Client Agreement. Additional compensation may also be received, in limited cases, in connection with rights or tender offers.

PIA fees also do not include the fees and charges of your underlying Merrill Lynch Cash Management Account (CMA[®]) or other securities account, except that the annual account fee will be waived while your Account is enrolled in PIA. We will not charge a commission on agency transactions. On principal transactions, as permitted by law, we will not charge a markup or markdown from the prevailing market price on a per transaction basis for our execution services. However, principal transactions may be subject to a dealer spread (*i.e.*, the difference between the bid and the offer price) that may result in additional compensation or other benefit to us.

Funds and Related Investing

Your Financial Advisor may invest your Account assets in Related Funds and Unrelated Funds that are available through PIA. You will be sent a copy of the prospectus of each Fund purchased, as required by law.

PIA fees do not include the expenses at the underlying Fund level. You, as a Fund shareholder, as well as all other shareholders of the Funds, will bear a proportionate share of the expenses of the Funds in which your PIA Account is invested. These expenses may include Service Fees. In general, Funds or their respective principal underwriter or other agent have entered into an agreement with us for the performance of subaccounting and related services, including recordkeeping, processing, reporting and dividend reinvestment services for shareholders of such Funds who maintain their shares in a Merrill Lynch securities account including participants in PIA Funds pay us Service Fees for performing these services, the amount of which varies among Funds. The aggregate amount of Service Fees we receive in connection with PIA will depend on the number of Funds in which PIA Accounts are invested and/or the value of the investments in such Funds. Your Account does not pay Service Fees directly, but rather Service Fees are borne by the Fund, like other Fund expenses, or by the Fund's principal underwriter or other agent.

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

Funds purchased in your Account should consist only of a class of shares of Related Funds with no front-end or CDSCs or with such charges waived that are not subject to fees pursuant to Rule 12b-1 fees, or a class of shares of Funds with no front-end or CDSCs or with such charges waived. The shares of the Unrelated Funds that may be purchased for your Account may be subject to Rule 12b-1 fees paid by such Funds, all or a part of which may be retained by us or our affiliate. Many of the Funds available through PIA are also available through brokerage services and other investment advisory services we offer. In certain cases, Related Funds may reimburse us for a portion of or all of the offset or credit related to the use of the Related Fund.

For more information about the use of Related Funds, see the section below entitled *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Funds and Related Investing*.

Long/Short Strategies and Margin

We generally do not permit margin transactions in PIA Accounts.

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Loans and Collateral

Your Account assets are not permitted to be used as collateral to purchase additional securities on margin; however, your Account assets may be “pledged” or used as collateral for non purpose accounts as determined by us. The costs associated with such an arrangement are not included in PIA fees and may result in Additional Compensation to us and our Financial Advisors. You may receive loan proceeds as a result of an arrangement whereby your Account is pledged to an affiliate of us.

Investment of Cash Balances

If your Account's cash balances are deposited in a bank deposit account, the participating depository institution will benefit from its use of the deposits, and we will receive compensation from the depository institution, including any bank affiliated with us. This compensation will be in addition to, and will not reduce, the fees payable under the Client Agreement. You will receive disclosures concerning the Merrill Lynch Bank Deposit Program, Insured Savings Account Program, and Retirement Assets Savings Program, as applicable, describing the terms of such bank deposit programs.

If cash balances are invested in a money market fund, you will receive the Fund's prospectus. Money market funds may include Related Funds as described under the section entitled *Other Fees and Expenses - Funds and Relating Investing*. You, as well as other shareholders, will bear a proportionate share of the expenses of those money market funds in which assets of your PIA Account are invested. Such expenses include, as permitted by law, certain management and distribution fee expenses, certain of which are payable to us and/or our affiliates. These fees and expenses are in addition to, and will not reduce, the fees payable under the Client Agreement, except as required by law.

COMPENSATION FOR RECOMMENDING THE WRAP FEE PROGRAM

Your Financial Advisor (and Financial Advisors in fee-sharing arrangements with your Financial Advisor) receives compensation in connection with PIA. The amount of this compensation may be, depending on the circumstances, greater or less than the compensation that might be paid to your Financial Advisor if you had instead participated in other programs offered by us or our affiliates or had purchased the services provided through PIA separately. If there is a difference in compensation, the Financial Advisor may have a financial incentive to recommend you select PIA over other programs or services offered by Merrill Lynch or our affiliates.

Disclosure Statement

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

CLIENT ELIGIBILITY

Clients eligible to participate in PIA generally include individuals, trusts, estates, charitable organizations, corporations, retirement accounts and certain types of business entities.

Client account eligibility is subject to change and we may choose to no longer accept certain types of accounts while continuing to provide services to existing accounts. Not all types of investors will be suitable for all investment strategies offered through PIA. You should discuss the selected investment strategy with your Financial Advisor.

ACCOUNT MINIMUMS

The minimum PIA Account size is \$50,000. At our discretion, we may make exceptions to the account minimum size requirements. Account size requirements are subject to change over time and existing PIA accounts may have been subject to different requirements.

CLOSING A PIA ACCOUNT AND/OR TERMINATING THE CLIENT AGREEMENT

Either you or Merrill Lynch may terminate at anytime the Client Agreement with respect to your Account by providing the other party with written notice, and such notice will be effective when received by the other party. Upon termination of the Client Agreement, a pro rata adjustment to your fees for the remainder of the billing period will be made, which may result in a refund or require you to pay us any remaining fees due for the partial billing period.

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PORTFOLIO MANAGER SELECTION AND EVALUATION

PORTFOLIO MANAGER SELECTION

In PIA, you are generally responsible for selecting your Financial Advisor. Financial Advisors who wish to participate in PIA are subject to review and approval by us. In addition, all Financial Advisors must also be registered in accordance with federal and state securities and investment adviser registration requirements and internal policies as may be set forth by us.

Financial Advisors in PIA will typically have at least one year of securities industry experience, however exam and business requirements differ based on eligibility requirements set forth by us, which include educational courses, length of service and assets under management. Your Financial Advisor's educational requirements may include courses in portfolio management, investing in fiduciary assets and ethics. Examination and business requirements are subject to change over time. As a result, your Financial Advisor may have been approved for PIA under different qualifications than those currently in place. In some instances, based primarily upon the Financial Advisor's prior investment experience, certain eligibility requirements may be waived.

If your PIA Financial Advisor no longer participates in PIA or is no longer applies by us, until your PIA Account is re-assigned to a PIA-qualified Financial Advisor, we will assign a qualified investment professional to assume responsibility for the day-to-day management of your PIA Account. If your PIA Account is transferred to another PIA Financial Advisor, the newly assigned PIA Financial Advisor may request that you complete a new Investor Profile Selection Form and/or Profiling Questionnaire. If your Account cannot be readily transferred to another Financial Advisor, your Account may be managed in accordance with a Proprietary Model Portfolio Strategy at our discretion or we may terminate your Account.

REVIEW OF PORTFOLIO MANAGERS PARTICIPATING IN PIA

Review of Portfolio Managers

Financial Advisors utilizing a Proprietary Model Portfolio Strategy are not required to obtain additional approvals with respect to such strategy; however, these Financial Advisors are subject to a review of eligibility requirements by Merrill Lynch as described above.

Financial Advisors are also subject to additional review by us when creating Financial Advisor-Created Investment Strategies. We seek to confirm that the Financial Advisor is able to articulate a reasonable, repeatable and implementable investment strategy. In addition, we generally also review the Financial Advisor-Created Investment Strategy based on (a) investment selection process, (b) targeted allocations to asset classes and (c) discipline for implementation of the Financial Advisor-Created Investment Strategy.

Performance Standards

We generally do not calculate PIA Financial Advisor performance. However, through Merrill Lynch's Composite Performance Reporting ("CPR") program, select PIA Financial Advisors are able to use composite performance reports representing their various PIA strategies which they may provide to existing and prospective clients. CPR employs a composite construction and calculation methodology based on an aggregate grouping of accounts, all employing a similar investment style or objective. We have implemented specific policies and procedures for Financial Advisors participating in, and reports that are issued through CPR, and have engaged Ashland Partners, a third-party vendor to assist in the verification of accounts that are part of CPR and their respective performance. For more information on the calculation methodology used by Merrill Lynch in the CPRs, please speak with your Financial Advisor.

RELATED PERSON PORTFOLIO MANAGERS – SELECTION AND REVIEW

Third-party managers are not available through PIA but may be available through other programs offered through us. However, as described above, your Financial Advisor is our employee. We may have a conflict in recommending the services of related persons in managing your Account because this will result in more overall compensation to us and our affiliates than if third-party managers were used.

Your Financial Advisor may purchase certain Related Funds. The Related Funds include those funds that are advised by Merrill Lynch's affiliates, including but not limited to BofA[™] Global Capital Management. 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

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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.

RELATED PERSON PORTFOLIO MANAGERS – INFORMATION ABOUT ADVISORY SERVICES

As stated above, we offer other advisory programs. Certain Proprietary Model Portfolio Strategies and Financial Advisor-Created Investment Strategies may be similar to strategies offered through other advisory programs. The method and parameters by which we manage accounts and portfolios in different wrap account programs is discussed in each program's disclosure brochure. In certain programs, we will provide initial and ongoing due diligence into the securities, Funds and other investments that are permitted in such program. In all of our wrap programs, we charge clients asset-based and other fees, as detailed in the applicable program disclosure brochure. The PIA fee may be more or less than the asset based fee charged for other programs. We retain a portion of PIA fee for our services. A portion of this fee also will be used to compensate your Financial Advisor.

In addition to PIA, Merrill Lynch offers a wide variety of investment advisory services, including (but not limited to) Merrill Lynch Consults[®] Service, the Merrill Lynch Consulting Services, the Merrill Lynch Mutual Fund Advisor[®] Program, the Merrill Lynch Personal Advisor Program, the Merrill Lynch Strategic Portfolio Advisor[®] Service, 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 ServicesSM. 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.

Investment Restrictions

As discussed above in the section entitled *Description of PIA – Reasonable Investment Restrictions*, we have established certain parameters and guidelines relating to the management of your Account, and the applicability of these parameters to your Account will depend, in part, on your investment objectives and investment restrictions, if any, among other factors specific to your Account. You may also impose reasonable restrictions, as determined by us in our sole discretion, or management guidelines on your Account. We may limit the number of investment restrictions you may apply to your Account so as to avoid unreasonable impact to the management of the Account. If the restriction is determined to be unreasonable, we may choose not to accept the restriction, the PIA Account will not be opened and/or your Financial Advisor may recommend that you should consider other more appropriate Merrill Lynch programs. We reserve the right to modify our practices regarding client-imposed restrictions in our sole discretion at anytime without notice.

Wrap Fee Programs

PIA Financial Advisors responsible for managing client accounts through PIA also may service other accounts in which the services may differ based on the type of account, services offered or particular program. As a result, the management of accounts in PIA may differ from other accounts and may be based on different methodology, asset allocation and/or investment recommendations. In addition, we and our affiliates may give advice and take action in the performance of our duties to clients which differs from advice given, or the timing and nature of actions taken, with respect to other clients' accounts.

We and our PIA Financial Advisors may have a conflict in recommending the services of related persons in managing client accounts because this will result in more overall compensation to us and our affiliates than if third-party managers were used. Third-party managers are not available through PIA but may be available through other programs offered through us.

PIA Financial Advisors do not directly provide discretionary investment advisory services through other wrap programs. However, Financial Advisors in PIA may provide non-discretionary investment advisory services through other Merrill Lynch advisory programs, such as the Merrill Lynch Personal Advisor[®] Program and Merrill Lynch International Asset Power Service. Additionally these Financial Advisors may also offer clients

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discretionary advisory services utilizing investment managers and/or mutual funds (which may include Related and Unrelated manager and Funds) through Merrill Lynch Consults[®] Service, Merrill Lynch Mutual Fund Advisor[®] Program, Merrill Lynch Managed Account Service, Merrill Lynch Strategic Portfolio Advisor[®] Service and Merrill Lynch Unified Managed Account.

Performance-Based Fees and Side-by-Side Management

Merrill Lynch does not receive performance-based fees with respect to PIA Accounts.

Methods of Analysis, Investment Strategies and Risk of Loss

Your Financial Advisor may utilize Proprietary Model Portfolio Strategies in managing your Account, which are developed and maintained by BofAML Research, and implemented through PIA. BofAML Research utilizes various securities analysis methods including fundamental, technical, quantitative and economic analyses. The main sources of information used are company management contacts, company releases, financial and trade newspapers and magazines, corporate rating services, annual reports and filings with governmental agencies. BofAML Research, in conjunction with PIA, assigns to each Proprietary Model Portfolio Strategy a distinct Investor Profile, which is based on the investment objectives, risk tolerance and time horizon for of such Proprietary Model Portfolio Strategy. The Investor Profile of each Proprietary Model Portfolio Strategy is meant to assist you and your Financial Advisor in selecting a Proprietary Model Portfolio Strategy that is appropriate for your Account.

Your Financial Advisor may also implement a Financial Advisor-Created Investment Strategy. In implementing a Financial Advisor-Created Investment Strategy, your Financial Advisor may utilize various securities analysis methods including fundamental, technical, quantitative and economic analyses. The main sources of information used are reports and research created by BofAML Research, company management contacts, company releases, financial and trade newspapers and magazines, corporate rating services, annual reports, filings with governmental agencies and market commentary issued by investment firms unaffiliated or affiliated of Merrill Lynch or Bank of America. Your Financial Advisor may purchase equity securities rated, and in certain circumstances, not rated, by BofAML Research for your Account. In rating securities, BofAML Research utilizes various securities analysis methods including fundamental, technical, quantitative and economic analyses. The main sources of information used are company management contacts, company releases, financial and trade newspapers and magazines, corporate rating services, annual reports and filings with governmental agencies.

In certain circumstances, including where BofAML Research does not have a research rating on a given security, your Financial Advisor may also use the research ratings of a Merrill Lynch approved third-party research provider to assist them in making investment decisions. Specifically, this allows your Financial Advisor to purchase equity securities that are not covered by BofAML Research but are rated “Buy,” “Hold” or “No Coverage” by either Standard & Poor’s or Morningstar for PIA accounts. Details about the methodology behind Standard & Poor’s research ratings can be found by accessing the URL http://www2.standardandpoors.com/spf/pdf/equity/Equity_Research_Methodology_031604.pdf. Details about the methodology behind Morningstar’s research ratings can be found by accessing the URL http://corporate.morningstar.com/US/html/pdf.htm?../documents/MethodologyDocuments/MethodologyPaper/s/MorningstarEquityResearch_Methodology.pdf. Research providers other than Standard & Poor’s or Morningstar may also be utilized after appropriate review and screening by Merrill Lynch. Both Standard & Poor’s and Morningstar have their own “5 star” rating methodology. As noted above, BofAML Research currently maintains a 3-point rating scale of “Buy,” “Neutral” and “Underperform.” To assist your Financial Advisors in performing their investment research, and to assist you in understanding the ratings of securities within their accounts, Merrill Lynch has performed a harmonization to align the Standard & Poor’s and Morningstar 5 star rating system with the BofAML Research 3-point scale so that there is a consistent “Buy,” “Neutral” or “Underperform” rating scale.

You should understand that all investments involve risk (the amount of which may vary significantly), that investment performance can never be predicted or guaranteed and that the values of your Account will fluctuate due to market conditions and other factors.

PROXY VOTING AND OTHER LEGAL MATTERS

Summary of Proxy Voting Policies

As set out in your Client Agreement, Merrill Lynch generally will not exercise proxy voting discretion with respect to the securities (other than Specified Investments) held in your Account. If you elect proxy voting

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services under your Client Agreement, you have delegated proxy voting discretion over the securities in your Account to Institutional Shareholder Services, Inc., a subsidiary of MSCI, Inc. ("ISS"). ISS will generally vote proxies in accordance with its benchmark proxy voting guidelines and related procedures that are applicable to all of our PIA accounts. ISS proxy voting guidelines and related procedures are subject to change and are available at <http://votingagent.riskmetrics.com/ml>.

In the limited situations where ISS may be unable to vote a given proxy due to their conflict of interest or where ISS may not provide proxy voting services for the security subject to the proxy vote, the responsibility for voting these proxies reverts to us. Such securities will be subject to the Merrill Lynch policies and procedures as described below. Securities where ISS does not provide proxy voting services are generally identified as "Specified Investments." Examples of Specified Investments include those for which votes will be taken at bondholder meetings, debenture holder meetings, meetings of privately-held entities and meetings of preferred equity shareholders or for which a vote is elicited by written consent for entities located outside the United States. Specified Investments may change from time to time.

We have written policies and procedures regarding the voting of securities in your Account where we (and not ISS) have proxy voting responsibility. These policies and procedures seek to ensure that proxy voting decisions are made in your best interests. When voting proxies for your Account, our primary objective is to make voting decisions solely in your best interests and, if you are an ERISA Plan client, in the best interest of your plan beneficiaries and participants. In fulfilling our obligations to you, Merrill Lynch will seek to act in a manner that we believe is most likely to enhance the economic value of the underlying securities held in your Account and most likely to not adversely affect your interests.

Given the complexity of the issues that may be raised in connection with proxy votes, we have established a Proxy Voting Committee (the "Committee") to address proxy voting issues on behalf of Merrill Lynch and our clients who have delegated proxy voting authority to Merrill Lynch for Specified Investments. The Committee determines how to vote your proxies over which we have proxy voting responsibility, and we seek to ensure that all votes are consistent with your best interests and are free from unwarranted or inappropriate influences. The Committee has established general proxy voting guidelines and is responsible for determining how those guidelines are applied to specific proxy votes, in light of each issuer's unique structure, management, strategic options and, in certain circumstances, the probable economic and other anticipated consequences of alternate actions.

While it is expected that we generally will seek to vote proxies in a uniform manner for all PIA accounts, the Committee may determine that the specific circumstances of a PIA account require that such PIA account's proxies be voted differently. To assist in voting proxies, the Committee has retained ISS, an independent adviser that specializes in providing a variety of fiduciary-level proxy-related services to institutional investment managers, plan sponsors, custodians, consultants, and other institutional investors. In addition to the services described above as provided specifically by ISS, the Committee may also engage ISS for vote execution and recordkeeping services.

We have adopted specific proxy voting procedures to address potential conflicts of interest when proxies relate either to the parent or an affiliate of Merrill Lynch or to money managers or other clients of Merrill Lynch. The proxy voting procedures allow the Committee, in its discretion, and in order to ensure that an independent determination is reached, to retain an independent fiduciary, including ISS, to advise the Committee on how to vote or cast votes on behalf of our clients. If the Committee determines not to retain an independent fiduciary, or it does not follow the advice of such independent fiduciary, the Committee may pass the voting power to a subcommittee consisting of Committee members whose job responsibilities do not include contact with the particular Merrill Lynch client and whose job evaluations would not be affected by our relationship with that client (or failure to retain such relationship). As noted above, we have adopted proxy voting guidelines, that represent the Committee's usual voting position on certain recurring proxy issues that are not expected to involve unusual circumstances. These issues include proposals related to:

- The composition of an issuer's Board of Directors;
- The selection of an issuer's auditors;
- Management compensation and employee benefits;
- Requests, principally from management, for approval of amendments that would alter an issuer's capital structure;
- Requests for approval of amendments to an issuer's charter or by-laws;
- Requests regarding the formalities of corporate meetings;

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- Proxy issues associated solely with holdings of investment company shares; and
- Limiting corporate conduct in some manner that relates to the shareholder's environmental or social concerns.

The Committee may elect to vote a particular proxy in a manner contrary to its generally stated guidelines if the Committee determines that doing so is, in the Committee's judgment, in the best interest of Merrill Lynch clients.

A copy of our proxy voting policies and procedures is available upon request. If you would like a copy of such policies and procedures, or if you would like information about how either Merrill Lynch or ISS voted with respect to securities held in your Account, you should contact your Financial Advisor.

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CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Generally, at the time you enroll to open a PIA Account, you will be asked to complete the PIA Enrollment Documentation (including the Investor Profile Selection Form and/or Profiling Questionnaire), which asks you to provide information about your Account's investment objective, risk tolerance, investment restrictions and other relevant information.

Completing the PIA Enrollment Documentation does not make or imply any promise or guarantee of investment returns or the achievement of your Account's investment objective. You have represented in your Client Agreement that the information you provided in the PIA Enrollment Documentation is accurate and complete in all material respects. It is important that you provide accurate and complete information and that you understand that we will rely upon this information in providing investment advisory services for your Account. Your failure to provide accurate information may affect the suitability of the services that we provide to your Account. After your Account is opened, it is your responsibility to notify your Financial Advisor promptly of any material changes in your financial circumstances, the investment objectives of your Account, investment restrictions (if any) or any other factors that might affect the management of your Account. Your Financial Advisor will not be required to verify the accuracy of any such information. We will not have any responsibility to review, monitor, accept or adhere to any investment policy statement or similar document relating to your Account and that adherence to such investment policy statement or similar document is solely your responsibility.

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CLIENT CONTACT WITH PORTFOLIO MANAGERS

You are not limited in your ability to contact your Financial Advisor and are welcome and encouraged to discuss any questions or concerns you may have at anytime. You may also discuss any questions with the Office Management Team within the branch that your Financial Advisor is located. You may also contact us for 24-hour assistance at 800-MERRILL.

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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 to adverse legal and disciplinary events. Below are summaries of certain events that may be material to your decision of whether to retain us for your investment advisory needs. Please note that certain disclosures discuss disciplinary events associated with Banc of America Investment Services, Inc. ("BAI") and Banc of America Securities LLC ("BAS"). BAI merged with Merrill Lynch on October 23, 2009, and BAS merged with Merrill Lynch on November 1, 2010. 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 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

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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 letter ("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 auction rate securities 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

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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.

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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 auction rate securities 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 auction rate securities 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

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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,

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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 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 record-keeping 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.

We, through our Financial Advisors, may suggest or recommend that clients, including PIA 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.

Receipt of Compensation from Investment Advisers

As discussed above, your Financial Advisor may invest your PIA Account assets in Funds, including Related and Unrelated Funds, and receive Additional Compensation from Fund investment advisers in connection with such investments. This receipt of such Additional Compensation may provide an incentive for Financial Advisors to select certain Funds and, thus, pose a conflict of interest. For more information about Additional Compensation received, see the section below entitled *Client Referrals and Other Compensation*.

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

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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 certain personnel obtain specific approval of their securities transactions and have implemented procedures for monitoring these transactions as well as those of all employees.

Your PIA Financial Advisor is also subject to personal trading policies that place certain restrictions on purchases and sales made in the Financial Advisor's employee or employee-related account(s) within certain time periods as determined by Merrill Lynch. Your Financial Advisor may, however, participate in block trades with you and/or other PIA clients as described in the section entitled *Funding and Operation of PIA Accounts - Transactions in PIA Accounts*.

Participation or Interest in Client Transactions

Your Financial Advisor may suggest or recommend that you use our or our affiliates' securities account execution, custody or other services. Similarly, your Financial Advisor may suggest or recommend that you purchase our or our affiliates' products, including insurance products, mortgage, trust and credit services and mutual funds. Where you purchase or use our or an affiliate's services or products, we or our affiliates and employees will receive fees and compensation. Compensation received in connection with your purchases or sales of stocks, bonds, mutual funds, other securities or insurance products through us or our affiliates may include commissions, spreads, markups and markdowns and distribution or other fees. Your holdings of certain types of securities may subject you to charges such as CDSCs, commissions, markups/markdowns or other fees.

Your Financial Advisor's portfolio selection decisions 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 purchased and/or sold in your Account. In addition, Merrill Lynch, 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

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

We and our affiliates will ordinarily act as agent in executing transactions on behalf of PIA clients. Principal transactions also may be effected for clients under the appropriate circumstances and as permitted by law. Transactions in securities customarily traded in dealer markets (such as fixed-income or over-the-counter securities) that are purchased from or sold to broker-dealers other than us may include markups or markdowns by these firms. If permitted by law, purchases of securities from an underwriter or dealer in a distribution will be effected at the public offering price. There may be instances when we or our affiliates may effect, as permitted by law, "agency cross" transactions (*i.e.*, transactions in which we or our affiliates act as

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broker for both the parties to the transaction and adviser to only one of the parties) involving PIA or other advisory clients. When effecting such transactions, we or our affiliates would undoubtedly receive compensation (the amount of which may vary) from the other party to such transactions, which compensation from the other party would be in addition to the fees described herein. Such compensation could create a potentially conflicting division of loyalties and responsibilities. Except where prohibited by law, by signing the Client Agreement, the client has given us permission to engage in agency cross transactions for the client's Account. Consent to agency cross transactions may be revoked at anytime by written notice to us.

As noted above, we will not charge a commission on agency transactions. On principal transactions, as permitted by law, we will not charge a markup or markdown from the prevailing market price on a per-transaction basis for our execution services. However, principal transactions may be subject to a dealer spread (*i.e.*, the difference between the bid and the offer price) that may result in additional compensation or other benefit to us.

Funds and Related Investing

As discussed above, PIA Financial Advisors may invest in Related and Unrelated Funds on behalf of PIA Accounts. Each Fund or its respective principal underwriter or other agent has entered into an agreement with us for the performance of subaccounting and related services including recordkeeping, processing, reporting and dividend reinvestment services for shareholders of such Funds who maintain their shares in a Merrill Lynch securities account including participants in PIA. We are paid Service Fees for performing these services, the amount of which varies among Unrelated Funds. The aggregate amount of Service Fees received by Merrill Lynch in connection with PIA will depend on the number of Funds in which PIA accounts are invested and/or the value of the investments in such Funds. Service Fees are not paid directly out of a PIA account, but are either borne by the Fund, like other Fund expenses, or by the Fund's principal underwriter or other agent.

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

Certain of the Funds that PIA Financial Advisors may purchase for clients include Related Funds, including, but not limited to, BofA[™] Global Capital Management. We potentially benefit from our economic interest in Related Companies and our relationship with Bank of America whenever such entity or its affiliates receive compensation for providing investment advisory, administrative, transfer agency, distribution or other services to its affiliated 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 clients to a greater extent than from increased sales of funds or investment products sponsored by other firms in which we or 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 and, like Unrelated Funds, incurs other expenses. The current annual rates of investment management fees paid by the BofA Funds to a Bank of America affiliate range from 0.20% to 0.25% of average daily net assets and are described in each 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 or Statements of Additional Information.

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

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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.

PIA Financial Advisors also may purchase for your Account certain exchange-traded notes, such as ELEMENTSSM which are distributed by us. You, together with other investors in ELEMENTS, 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 Web site, 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 Merrill Lynch will receive will not exceed 0.75% per annum of the aggregate outstanding value of each ELEMENTS. In addition, we also may 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 the client's 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 advisor to your PIA Account since this may provide us an incentive to purchase ELEMENTS in your Account. ELEMENTS may also present conflicts of interest as described in the applicable prospectus or prospectus supplement.

Retirement Accounts

PIA Accounts established for Retirement Accounts, which have investments in shares of Related Funds, will have their Account's pro rata share of the advisory fees paid by the Related Fund to our affiliated persons to be used to offset the PIA fees payable to us pursuant to the Client Agreement, as required by applicable law. Retirement Accounts also will 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 Fund to us or our affiliate as required by applicable law. Please note that ETFs advised or sponsored by Related Companies may be considered Related Funds. Where required by applicable law, we will rebate the operating expenses for such ETFs in certain account types enrolled in PIA. Similarly, 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 the client's Retirement Account pro rata on a monthly basis, as required by applicable law. In certain cases, Related Funds may reimburse us for a portion of or all of the offset or credit related to the use of the Related Fund.

By signing the Client Agreement, you:

- Acknowledge receipt of the prospectuses or other required disclosure documents 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 in relation to the fees payable pursuant to your Client Agreement.
- You may revoke or modify this approval at anytime by notifying us in writing, which will be effective upon our receipt. Such notice should include instructions regarding the disposition of the proceeds of sale of Related Fund shares then held in your Account.

Acting as General Partner

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

Disclosure Statement

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 Merrill Lynch and our Financial Advisors or with respect to their compensation.

As described in the section entitled *Other Fees and Expenses - Investment of Cash Balances*, we and our affiliates may receive additional economic benefit from cash investments in your Account, which creates a conflict of interest. This conflict may be greater if you have selected a Financial Advisor who maintains higher cash balances in your PIA Accounts. However, at times, your Financial Advisors may believe that it is in your best 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 exercising their judgment in your best interest.

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

Investment in Securities by Merrill Lynch and our Personnel

We and our affiliates act in a variety of capacities to a wide range of clients. In addition to managing your Account and the PIA accounts of other clients (the number of which may vary), your Financial Advisor also may service brokerage accounts for clients who do not participate in PIA and may offer and provide other services to clients who, in addition to participating in PIA, have other relationships or dealings with us or our affiliates. 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 our PIA 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 a position in or enter into "proprietary" transactions in securities purchased or sold for clients, including clients participating in PIA. We or our affiliates may benefit from such securities positions or transactions.

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 their 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 preapprove certain securities transactions, disclose their investment accounts, provide an annual holdings report, and provide a quarterly transaction report. Your Financial Advisor may, however, participate in block trades with you and/or other PIA clients as described in the section entitled *Funding and Operation of PIA Accounts - Transactions in PIA Accounts*.

REVIEW OF ACCOUNTS

Account Reviews

Our personnel conduct various reviews of PIA accounts including but not limited to, daily trade activity, adherence to PIA guidelines (which may change from time to time), trading in restricted securities and securities that may differ from the Account's investment objective. Risk management reviews are also conducted by branch personnel and are subject to certain loss parameters based on risk tolerance. In addition, PIA accounts in which options trading may be employed require approval from Merrill Lynch personnel. These reviews are conducted through various means and systems throughout Merrill Lynch.

For accounts that utilize Proprietary Model Portfolio Strategies, Financial Advisors are responsible for the management and review of the respective PIA Accounts in accordance with the Proprietary Model Portfolio

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Strategy that the Financial Advisor has selected for clients. In these instances, we monitor accounts for adherence to the selected Proprietary Model Portfolio Strategy.

In addition to the reviews described above, we, in our discretion, may also review certain Financial Advisors or accounts managed by certain Financial Advisors for certain parameters. In doing so, we may utilize the services of a third-party vendor to assist in conducting these reviews.

It should be noted that the reviews noted above will not substitute for your continued monitoring of your Account performance.

Client Reports

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

We also provide you with periodic performance measurement reports. These written reports generally contain information regarding investment return, risk and selected benchmark comparisons for your Account. You may elect to receive any reports electronically.

Trade Confirmations

You may elect not to receive confirmation of transactions for an Account on a trade-by-trade basis, except as required by applicable rules or regulations, and, in lieu thereof, receive a periodic statement that will be furnished to you no less frequently than quarterly and that will contain the same information that would be included in the trade-by-trade confirmation for each transaction. Your initial direction in the PIA Enrollment Documentation regarding receipt of trade-by-trade confirmations will apply to your Account in PIA, until such direction is changed. Your election to receive periodic statements in lieu of trade-by-trade confirmations is entirely optional and:

- Will not affect the calculation or amount of your Account fee;
- Is not a condition to entering into or continuing participation in PIA; and
- May be rescinded at anytime by written notice to us for your Account.

You may change any previously selected options at anytime upon written notice to us.

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

CLIENT REFERRALS AND OTHER COMPENSATION

Other Compensation

Bank of America and its affiliates have business relationships with many investment managers separate and apart from PIA. For example, investment managers may direct their clients' transactions to us and receive research, execution, custodial, pricing and other services offered by us in the normal course of our business. We and our Financial Advisors may receive compensation in connection with such transactions and other services. You are encouraged to speak with your Financial Advisor about any questions you may have about existing or potential conflicts of interest relating to your PIA Account and the Account's investments, including any business relationships that the relevant Funds may have with us, our affiliates or your Financial Advisor.

Funds may pay for, or reimburse Merrill Lynch and its affiliates for, various costs arising from client and prospective client meetings, sales and marketing materials, and educational, training and sales meetings

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held with Financial Advisors and other personnel of Merrill Lynch and their affiliates relating to the Program and asset management generally. The Fund managers may also make charitable donations or cover the costs of reasonable entertainment in connection with events sponsored by MLPF&S and its affiliates or related to clients. Certain Funds are Related Funds.

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. We have a gifts and entertainment policy, and have developed business protocols to satisfy the FINRA requirement that Bank of America be able to report in the aggregate entertainment we have provided to clients and our representatives.

Compensation for Client Referrals

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

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 other affiliates for products and services. Similarly, employees of the Bank of America, N.A. and its affiliates may refer clients to us for brokerage or advisory services. These referrals may involve the payment of referral fees between us and Bank of America, N.A. or its affiliates.

FINANCIAL INFORMATION

Not applicable.

GLOSSARY

“Account” means each of the client’s securities accounts to which the PIA Client Agreement applies.

“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.

“Additional Compensation” means certain additional compensation received by Merrill Lynch from certain Funds or their principal underwriters, investment managers or other agents in connection with the investment in such Funds by PIA clients.

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

“AWC” means a letter of acceptance, waiver and consent.

“BAI” means Banc of America Investment Services, Inc.

“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 affiliates of BlackRock, Inc.

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

“BofAML Research” means BofA Merrill Lynch Global Research.

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

“CDSC” means contingent deferred sales charge.

“Client Agreement” means the agreement between the client and Merrill Lynch relating to the PIA services described under such agreement, as it may be amended from time to time.

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

“Columbia Management” means Columbia Management Advisors, LLC.

“Committee” means the Proxy Voting Committee.

“Consent” means a letter of acceptance, waiver and consent.

“CPR” means Merrill Lynch’s Composite Performance Reporting program.

“ELEMENTSSM” means a proprietary exchange traded note that is offered and distributed by Merrill Lynch.

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

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

Merrill Lynch Personal Investment Advisory[®] Program

Disclosure Statement

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

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

“Financial Advisor” means a Merrill Lynch Financial Advisor.

“Financial Advisor-Created Investment Strategy” has the meaning set forth in the “Description of PIA”.

“FINRA” means the Financial Industry Regulatory Authority.

“Funds” means registered and unregistered investment companies, including mutual funds, closed-end funds, ETFs, and hedge funds, real estate investment trusts, and other pooled investment vehicles.

“IMG” means the Investment Management & Guidance group of Merrill Lynch.

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

“Investor Profile” means information a client has to provide about his/her Account, including the investment objective, risk tolerance, investment restrictions and other relevant information.

“IRAs” mean individual retirement accounts.

“ISS” means Institutional Shareholder Services, Inc.

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

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

“MLOL” means Merrill Lynch Online.

“NASD” means the National Association of Securities Dealers.

“NextGen Plan” means the NextGen College Investing Plan administered by the finance authority of Maine.

“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.

“Order” means an order issued by the SEC.

“PIA” means the Merrill Lynch Personal Investment Advisory offered by Merrill Lynch.

“PIA Enrollment Documentation” means the documents a PIA client has to complete at the time of enrollment in PIA, as may be amended from time to time.

“Profiling Questionnaire” means the questionnaire that may be completed by the client at the time of the client’s enrollment in PIA, as may be amended from time to time.

“Proprietary Model Portfolio Strategy” means a proprietary model investment strategy created by Merrill Lynch investment professionals other than BofAML Research.

Disclosure Statement

“REITs” means real estate investment trusts.

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

“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 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.

“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 Securities and Exchange Commission.

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

“Service Fees” means fees including underlying investment management fees, Rule 12b-1 fees, if any, and shareholder servicing and administrative fees.

“SIPC” means Securities Investor Protection Corporation.

“Solicitors” means third-party entities that Merrill Lynch has entered into solicitation arrangements with to refer prospective investment advisory clients to Merrill Lynch.

“Specified Investments” means securities where ISS does not provide proxy voting services.

“UITs” means unit investment trusts.

“Unrelated Funds” means Fund shares that are not sponsored or 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.

	ADVICE AND PLANNING		ESTATE PLANNING SERVICES
	RETIREMENT		INVESTMENTS
	BANKING		SOLUTIONS FOR BUSINESS
	CREDIT AND LENDING		TRACKING PROGRESS



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