

Merrill Lynch

INVESTMENT ADVISORY PROGRAM

BROCHURE

Please retain for your records

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This Brochure provides information about the qualifications and business practices of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") and Managed Account Advisors LLC ("MAA") relating to the Merrill Lynch Investment Advisory Program (the "Program").

If you have any questions about the contents of this Brochure, please contact us at 800-MERRILL (800-637-7455). Please note that 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.

It is important that you know that the advisory services described in this Brochure are not insured or otherwise protected by the Federal Deposit Insurance Corporation (FDIC) or any other government agency; are not an obligation of any bank or any affiliate of MAA or MLPF&S; are not endorsed or guaranteed by Bank of America, N.A., MLPF&S, MAA, any bank or any affiliate of MAA or MLPF&S; and involve investment risk, including possible loss of principal.

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

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Services, Fees and Compensation

This Brochure describes the Merrill Lynch Investment Advisory Program (the “Program”), which is offered by Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”) and Managed Account Advisors LLC (“MAA”). Both MLPF&S and MAA are wholly owned subsidiaries of Bank of America Corporation and are referred to in this Brochure as “Merrill Lynch,” “we,” or “us.” Both MLPF&S and MAA provide services in the Program, as described in detail below.

All capitalized terms are defined in the body of this Brochure and/or in the Glossary, which can be found at the end of this Brochure.

SUMMARY DESCRIPTION OF SERVICES

The Program is designed to help you pursue your investment goals by providing you with investment advice and guidance and access to a range of financial services and investment solutions (“Services”). This section contains a summary description of the Services generally available in the Program. A more detailed description of each Service is provided elsewhere in this Brochure, along with other material information about us and the Program. Before investing through the Program, please read the detailed descriptions of our Services and the other information in this Brochure, and speak with your Advisor if you have any questions.

- **Portfolio Advice.** The Program offers you the ability to combine your assets into one or more groups, each of which we refer to as a “Portfolio”. By grouping your assets into Portfolios, the Program will provide you with the flexibility to pursue multiple investment goals by allowing you to have each Portfolio, and each Account within a Portfolio, managed in a different way, should you so choose. We will provide you with investment advice and guidance, tailored by your Advisor, to help meet your specific investment needs, including:
 - **Creating Your Portfolio(s).** Your Advisor will work with you to create a Portfolio tailored for each group of assets that you identify. For each Portfolio, your Advisor will recommend: (i) an allocation of your assets across one or more asset classes (“Target Asset Allocation”); and (ii) a single investment strategy (“Strategy”) or group of Strategies aligned to that Target Asset Allocation and the specific needs of your Portfolio.
 - **Advice and Guidance.** On a periodic basis we will monitor the assets in your Portfolio for alignment with your Target Asset Allocation, and if appropriate, we will make recommendations regarding changes to your Portfolio, including changes to the Strategy(ies) you selected.
- **Strategies.** There are different Strategies available in the Program to choose from. You may choose a single Strategy or combine multiple Strategies for each Portfolio. Our Strategies are generally differentiated by the way in which we deliver our advice to you and the types of investments we make available to you. For each Strategy, we will provide you with investment advice and guidance consistent with the investment objective you designate for that Strategy.
- **Brokerage and Custody Services.** If you maintain your Program assets with us or one of our Affiliates, the Program Fee you pay generally covers the custody of such assets and the execution of securities transactions occurring through the Program (except as otherwise indicated in this Brochure).
- **Account Preferences and Other Elective Services.** Depending on the Strategy you select, and other factors, you may set certain preferences for your Accounts (“Account Preferences”) or elect additional Services (“Elective Services”), such as:

- Retaining or delegating the authority to vote proxies;
- Imposing Reasonable Investment Restrictions;
- Determining the frequency that you will receive trade confirmations;
- Choosing to receive certain materials either electronically or in paper;
- Optional Rebalancing Service; and
- Automatic Contribution and Withdrawal Services.

To take advantage of the Services available through the Program, you must first enter into an investment advisory agreement with us (the “Client Agreement”). The Client Agreement will cover each separate Portfolio you create and each Account that you choose to enroll in the Program. In the Client Agreement we agree to act as your investment adviser and agent and to provide the Services described in this Brochure, you grant to us the investment discretion and trading authority necessary to deliver the Services you select, and you agree to the terms and conditions of the Program. After you are enrolled in the Program, you are generally able to enroll new Accounts in the Program and select or change most Services with verbal instructions to your Advisor; however, in certain circumstances we may ask you to sign a separate Client Agreement or complete additional documentation.

DETAILED DESCRIPTION OF SERVICES

Portfolio Advice

In this section we describe for you our investment advice and guidance with respect to the assets in each of your Portfolios.

1. Creating Your Portfolio(s).

Your Advisor will work with you to create one or more Portfolios to meet your investment needs. To create each Portfolio, your Advisor will:

- Gather information about you;
- Recommend a Target Asset Allocation; and
- Recommend a Strategy or group of Strategies suitable for each Portfolio.

a. Gather Information About You.

Your Advisor will gather from you, or confirm with you, important financial and personal information that we will use to form our Portfolio advice. It is your responsibility to ensure that the information you provide to your Advisor is complete and accurate. It is also your responsibility to notify your Advisor if any information we have about you is inaccurate or becomes inaccurate. By providing accurate and complete information, your Advisor will be better able to make suitable recommendations for you and your assets.

Using the information you provide, we will first help you determine whether you should group your assets into more than one Portfolio. You may choose to create more than one Portfolio for many reasons, including: (i) if you identify more than one investment goal (e.g., paying for retirement, paying for college, general investing, paying for a vacation home, etc.); (ii) if you want separate groups of your assets managed in different ways; or (iii) if you simply want one group of your assets managed independently from another group of assets.

For each Portfolio you choose to create, we will help you identify the following information:

- **Portfolio Investment Objective.** Your Portfolio Investment Objective is a reflection of your overall outlook on how the assets in your Portfolio should be managed. Your Advisor will help you choose from three Portfolio Investment Objectives: Income; Total Return; or Growth.

- **Portfolio Risk Factor.** Your Portfolio Risk Factor is a reflection of your ability and willingness to lose some or all the assets in your Portfolio in exchange for greater potential returns. Your Advisor will help you choose from three Portfolio Risk Factors: Conservative; Moderate; or Aggressive.
- **Portfolio Time Horizon.** Your Portfolio Time Horizon is a reflection of how long you expect to invest in order to achieve your investment goal.
- **Portfolio Liquidity Needs.** Your Portfolio Liquidity Needs is a reflection of your need to readily convert your Portfolio holdings to cash without experiencing a significant loss due to the lack of a ready market or incurring significant costs or penalties.

We will use your Portfolio Investment Objective, Portfolio Risk Factor and Portfolio Time Horizon to assist in recommending a Portfolio Target Asset Allocation and one or more Strategies for your Portfolio. Your Advisor will use your Portfolio Liquidity Needs, along with other information about you, to determine the types of investments to recommend to you.

b. Portfolio Target Asset Allocation.

For each Portfolio, we will assist you in establishing a Target Asset Allocation based on the information we gathered about you and how you want your Portfolio managed. We currently offer five different Target Asset Allocations (Conservative, Moderately Conservative, Moderate, Moderately Aggressive and Aggressive).

Currently, our five Target Asset Allocations recommend allocation ranges of 0% to 100% to four asset classes:

- Equity Securities;
- Fixed Income Securities;
- Alternative Investments (including non-traditional Funds); and
- Cash.

We will generally adjust our Target Asset Allocation ranges based on market conditions and other factors.

We will recommend a Target Asset Allocation based on a combination of your Portfolio Investment Objective, Risk Factor and Time Horizon. Our more conservative Target Asset Allocations typically recommend a greater percentage of your assets be allocated to fixed income investments and cash, rather than to equity securities. Our more aggressive Target Asset Allocations typically recommend a greater percentage of your assets be allocated to equity investments and Alternative Investments, rather than to fixed income investments and cash. You may choose a Target Asset Allocation that is more conservative than our recommendation by speaking with your Advisor. If you would like a more aggressive Target Asset Allocation, you must discuss with your Advisor whether certain information that we have about your Portfolio accurately reflects how you want your assets managed, and your Advisor may recommend that you adjust your Portfolio Investment Objective, Risk Factor and/or Time Horizon to reflect your preference for a more aggressive Target Asset Allocation.

As discussed in more detail below in “Portfolio Advice and Guidance”, your Target Asset Allocation will apply to all Accounts within a Portfolio in the aggregate, regardless of the Strategies used. Therefore, if you have only one Account in a Portfolio, your Target Asset Allocation will be applicable to only those assets in that Account. If you have more than one Account in a Portfolio, the Target Asset Allocation will apply to the assets in all of the Accounts, in the aggregate.

c. Selecting Strategies.

After we help you establish a Target Asset Allocation for your Portfolio, your Advisor will recommend to you one or more Strategies aligned, in the aggregate, with that Target Asset Allocation and the specific investment

needs of your Portfolio. The Strategies are generally differentiated by the way in which we will deliver our advice to you and the types of investments made available to you. The Strategies currently available in the Program are: (1) **Managed Strategies**; (2) **Custom Managed Strategies**; (3) **Personalized Strategies**; and (4) **Defined Strategies**. There may be more than one Strategy that is suitable for your investment needs and the same or similar types of investments may be available in multiple Strategies. Before choosing a Strategy you should read the detailed descriptions below in “Strategies” and speak with your Advisor.

In general, you will be required to open a separate Account for each Strategy you select. Your Advisor will work with you to determine the type of “Authority” that you designate for each Strategy, either **Advisor Discretion** or **Client Discretion**. The Authority you choose will dictate who (us, a third party, you or a combination of all three) is responsible for making certain investment and trading decisions with respect to the assets in each Strategy. It is important that you understand how each type of Authority will affect who will be responsible for making certain investment and trading decisions with respect to the assets in each Strategy. How the Authority you choose will affect each Strategy is described in the “Strategies and Program Guidelines” section.

Your Advisor will also help you choose an investment objective (Income, Total Return or Growth) for each Account (“Account Investment Objective”); if you have more than one Account in a Portfolio, the Account Investment Objective may be different from your Portfolio Investment Objective. Your Account Investment Objective will apply to only the assets in that Account. Your Account Investment Objective will inform us as to how the Strategy assigned to the particular Account should be advised. By allowing you to set an Investment Objective for each Account independent of the Portfolio Investment Objective, you will have the flexibility to direct your Advisor to manage groups of assets within a Portfolio in different ways. Although you have the flexibility to have multiple Account Investment Objectives in a single Portfolio, in the aggregate, your Portfolio assets should be aligned to the applicable Target Asset Allocation, which is generally based on your Portfolio Investment Objective, Risk Factor and Time Horizon.

2. Portfolio Advice and Guidance

On a periodic basis we will monitor the assets in each of your Portfolios to help ensure that they generally remain aligned to the applicable Target Asset Allocation, regardless of the Strategies you select. If you have multiple Strategies in a Portfolio, we will measure your alignment to your Target Asset Allocation across each Strategy in the Portfolio in the aggregate. Because your Target Asset Allocation is based on your Portfolio Investment Objective, Risk Factor and Time Horizon, if you make changes to any of the foregoing, your Target Asset Allocation may be adjusted accordingly, which may require one or more adjustments to your Portfolio.

We will also periodically report to you in writing the actual asset allocation for each Portfolio (“Actual Asset Allocation”) against the Target Asset Allocation. Your Actual Asset Allocation may become misaligned with your Target Asset Allocation for many reasons, such as market movement, additions and withdrawals of assets from your Portfolio, changes in the Strategies you select, or purchases and sales of certain securities in your Strategies. If the Actual Asset Allocation for a Portfolio is outside the applicable Target Asset Allocation ranges, we may recommend that you take action to realign your assets by: (1) changing the Strategies in the Portfolio; (2) buying or selling certain investments; (3) adding or removing certain assets to or from a Portfolio; or (4) adjusting your Portfolio Investment Objective, Risk Factor and Time Horizon, which would result in a change to your Target Asset Allocation. In addition, where we are authorized to do so, we may take other actions that we deem suitable and appropriate under the circumstances without notifying you. In most

instances it is solely your responsibility to determine whether you follow our recommendations. If you choose to invest your assets in a manner that differs materially from our recommendations, you may assume additional risks that result from your decisions. We may also, at our discretion, terminate a Portfolio, or any Strategy within it (including any Accounts), if you do not agree to adjust your Portfolio Actual Asset Allocation if it is outside the applicable Target Asset Allocation ranges.

Strategies and Program Guidelines

This section describes in detail the Strategies available in the Program and the impact that the Authority you choose will have on who will be responsible for making certain investment and trading decisions. Each Strategy is designed to meet the Account Investment Objective you select. Some Advisors may not offer all of the Strategies described below and we may choose, in our discretion, not to offer certain Strategies from time to time. You should discuss with your Advisor which Strategies are currently available and which Strategies your Advisor is able to offer.

The Strategies currently available in the Program include (1) Managed Strategy; (2) Custom Managed Strategy; (3) Personalized Strategy and (4) Defined Strategy.

- In Managed and Custom Managed Strategies, the universe of available investments consists of Style Manager Strategies and specific Funds identified through our portfolio manager selection and evaluation process described below in “Managed and Custom Managed Strategies – Review, Selection and Strategy Construction.”
- In Managed Strategies, you can select a single Style Manager Strategy or a combination of Style Manager Strategies and/or Funds in allocations determined by us, an Affiliate, Related Company or a third-party.
- In Custom Managed Strategies – Depending upon the Authority you choose, either you (Client Discretion) or your Advisor (Advisor Discretion) has the ability to select combinations and allocations of Managed Strategies, Style Manager Strategies and/or Funds that are different than those offered in Managed Strategies.

With certain exceptions, the securities and Funds available in Personalized and Defined Strategies are the same securities and Funds available for your purchase in our brokerage accounts; Style Manager Strategies are not available in Personalized and Defined Strategies.

1. Managed Strategies and Custom Managed Strategies.

a. Managed Strategies.

A Managed Strategy is a group of securities constructed and managed to achieve one or more investment styles or disciplines. A Managed Strategy is constructed and/or implemented by Merrill Lynch, an Affiliate, a Related Company, and/or a third-party in a single Account, which includes a determination of the allocations and the rebalancing frequencies. A Managed Strategy may consist of one or more Style Manager Strategies, or Funds, or any combination of both. Style Manager Strategies are generally based on advice we receive from a “Style Manager,” which is an investment adviser (either a third-party, Merrill Lynch, an Affiliate or a Related Company) that provides us with advice regarding the securities or other property to be purchased or sold in the Account.

You may select a Managed Strategy with Client Discretion or Advisor Discretion. However, as we describe in detail below in the “Investment and Trading Authority for Managed and Custom Managed Strategies”, we or a third-party, will have full trading authority to implement the Managed Strategy selected.

Client Discretion. Any change from one Managed Strategy to another Managed Strategy will require your consent, because you retain Authority to select and implement any changes between Managed Strategies.

Advisor Discretion. Any change from one Managed Strategy to another Managed Strategy within the same Account Investment Objective will not require your consent, because you grant to us the Authority to select and implement any change between Managed Strategies within the same Account Investment Objective.

b. Custom Managed Strategies.

A Custom Managed Strategy is comprised of two or more Managed Strategies, Style Manager Strategies and/or Funds in a single Account.

You may select a Custom Managed Strategy with Client Discretion or Advisor Discretion. However, as we describe in detail below in the “Investment and Trading Authority for Managed and Custom Managed Strategies”, we or a third-party, will have full trading authority to implement the Custom Managed Strategy selected.

Client Discretion. You will select the Managed Strategies, Style Manager Strategies and/or Funds that make up the Custom Managed Strategy from a list provided by us, assign a corresponding allocation percentage for each Managed Strategy, Style Manager Strategy and/or Funds, and select the rebalancing frequency. Any change to Managed Strategies, Style Manager Strategies and/or Funds, allocations, rebalancing frequency, or moving from one Custom Managed Strategy to another Custom Managed Strategy will require your consent, because you retain Authority to select and implement these changes.

Advisor Discretion. Your Advisor will select the Managed Strategies, Style Manager Strategies and/or Funds that make-up the Custom Managed Strategy from a list provided by us, assign a corresponding allocation percentage for each Managed Strategy, Style Manager Strategy and/or Funds, and select the rebalancing frequency. Any change to Managed Strategies, Style Manager Strategies and/or Funds, allocations, rebalancing frequency, or moving from one Custom Managed Strategy to another Custom Managed Strategy within the same Account Investment Objective will not require your consent, because you grant to us the Authority to select and implement these changes. You may also choose to have your Custom Managed Strategy constructed by an Advisor who is not the Advisor primarily responsible for your relationship with Merrill Lynch.

c. Investment and Trading Authority for Managed and Custom Managed Strategies.

Regardless of Authority, all Style Manager Strategies will be implemented by MAA with full investment and trading discretion based on advice provided by Style Managers or based on an investment strategy developed by us. Some Style Manager Strategies will also be managed with investment and trading discretion by a Style Manager (“Discretionary Manager”). By granting to MAA or a Discretionary Manager investment and trading discretion, we or the Discretionary Manager will have complete and unlimited trading authority and may invest, reinvest, purchase, sell, exchange, convert and otherwise trade assets in your Managed Strategy or Custom Managed Strategy. You grant this investment and trading authority through the Client Agreement and it will remain in full force and effect until we have either received and accepted instructions from you to either change the Strategy or terminate your Account(s). Neither MAA nor a Discretionary Manager, as applicable, will contact you before exercising their investment and trading discretion over the assets in your Managed or Custom Managed Strategy.

d. MAA's Role in Managed Strategies and Custom Managed Strategies.

As described above, MAA, as opposed to you or MLPF&S through your Advisor, will have authority to make certain investment and trading decisions in Managed and Custom Managed Strategies. MAA will:

- Implement, as applicable, the Style Manager's recommendations for each Strategy;
- Implement for Style Manager Strategies for which it is a Style Manager;
- Invest the initial and any subsequent cash and securities deposited in the Managed or Custom Managed Strategy;
- Monitor available cash, contributions and distributions in the Managed or Custom Managed Strategy;
- Process all contributions, withdrawal requests and Account terminations;
- Periodically review the Managed or Custom Managed Strategy for rebalancing if applicable;
- Implement any Reasonable Investment Restrictions in your Managed or Custom Managed Strategy; and
- Implement your tax-selling instructions, if any.

e. Investment Options Available in Managed Strategies and Custom Managed Strategies.

We will generally provide you with important information about each Managed Strategy and Custom Managed Strategy you select through a document known as a "Profile", as discussed below. The Style Manager Strategies and Funds available in Managed and Custom Managed Strategies are generally subject to a review and approval process as described in the "Portfolio Manager Selection and Evaluation" section below. You should review the applicable Profile before you select such Strategies.

MAA has entered into investment advisory agreements with a variety of Style Managers, some of which may include our Affiliates. In general, Style Managers provide advisory services through the Program by furnishing investment recommendations to MAA for one or more Style Manager Strategies based on model portfolios in accordance with the applicable Profiles. MAA will generally implement the Style Manager's recommendations for a Style Manager Strategy without change, subject to your Reasonable Investment Restrictions, cash flow and other considerations.

A Discretionary Manager is responsible for making and implementing investment decisions for your Style Manager Strategy in accordance with the applicable Profile. MAA does not have responsibility for implementing investment decisions for any portion of the assets in your Style Manager Strategy that is managed by a Discretionary Manager. However, MAA is responsible for enforcing any Reasonable Investment Restrictions for your Account.

We will generally determine the manner and extent to which Style Managers, Style Manager Strategies and Funds are made available to clients through the Program, including when they may no longer be offered. For information regarding selection and evaluation of Style Managers, Style Manager Strategies and Funds, please see the section below entitled "Portfolio Manager Selection and Evaluation."

Style Manager Strategies offered by our Affiliates and strategies that include Related Funds are among the choices that may be made available to you through the Program.

You will not enter into a separate investment advisory agreement with any Style Manager, and the Style Manager will not ordinarily know your identity. However, you authorize and direct MAA to provide any necessary information about you to a Style Manager as needed to provide services to you in the Program.

Occasionally, we may decide to discontinue offering certain Style Managers, Style Manager Strategies or Funds that comprise a Managed Strategy or Custom Managed Strategy. As described above, if your

Managed or Custom Managed Strategy is with Client Discretion, we generally will provide you with prior written notice before selecting a replacement or provide you with information regarding the updated Strategy after such replacement is made. If you do not instruct us to select a different replacement or no replacement at all, your continued participation in the Program after the termination of the Style Manager, Style Manager Strategy or Fund will be your consent to the replacement; if your account is not eligible for the replacement we may terminate your Account(s). In certain circumstances, we may terminate the offering of a Style Manager, Style Manager Strategy or Fund and promptly select a replacement that we believe to be in your best interest. Such replacements that we may propose or select may be subject to a higher Style Manager Expense Rate than the previous selection.

f. Rebalancing of Managed and Custom Managed Strategies

Certain Managed Strategies have target allocations and are subject to automatic rebalancing on a periodic basis, as indicated in the Profile. Other Managed Strategies are dynamically managed and are not subject to rebalancing. For Custom Managed Strategies, the frequency of rebalancing where available is determined by you if you chose Client Discretion and your Advisor if you chose Advisor Discretion. Investment performance may cause the Managed or Custom Managed Strategy to drift away from the original targets. When appropriate, your Managed and Custom Managed Strategies may be rebalanced back to the target allocations prior to the scheduled rebalancing. Rebalancing will be accomplished by selling securities in overweighted investment categories and purchasing a corresponding dollar amount of securities in underweighted investment categories. In general, any contributions and/or withdrawals of assets to and from your Managed and Custom Managed Strategy will be applied to the target allocations. In our discretion, we may decide not to process certain rebalancing transactions.

Delays in the processing of any rebalancing may be caused by market conditions, illiquid securities or those with limited redemption schedules, as well as the availability of funds and other factors. Please see the section entitled "Risk and Tax Disclosure" for tax-related risk factors and disclosure.

2. Personalized Strategies and Defined Strategies

a. Personalized Strategies

A Personalized Strategy is an investment solution constructed by you or your Advisor. A Personalized Strategy may consist of individual securities, Funds or a combination of both. The individual securities and Funds available in Personalized Strategies may not be subject to the same review and approval process as the Funds offered in Managed and Custom Managed Strategies, please see "Portfolio Manager Selection and Construction; Defined and Personalized Strategy Construction" for more information on how Personalized Strategies are constructed.

You may select a Personalized Strategy with Client Discretion or Advisor Discretion.

Client Discretion. Your Advisor will assist you in selecting the investments that make-up the Personalized Strategy, assigning a corresponding asset allocation percentage for each investment where applicable, and selecting the rebalancing frequency for the assets where applicable. Any change to investments (transaction by transaction), asset allocation, or rebalancing will require your consent because you retain the Authority to select and implement these changes. You have also retained full trading authority, and your consent generally is required for each trade.

Although your Advisor will provide you with investment advice and guidance, you may place orders to buy (or sell) securities without having received a recommendation from your Advisor to do so as well as buy (or

sell) securities against the advice, guidance or recommendations of your Advisor (“unsolicited trades”). Unsolicited trades may involve securities in which we currently maintain a recommendation or those we do not cover at all. Effecting unsolicited trades may limit your Advisor’s ability to make recommendations in accordance with your Account Investment Objective or Portfolio Target Asset Allocation. If you choose to invest assets in a manner that differs materially from our investment recommendations, you may assume additional risks that result from your decisions. Neither we nor your Advisor have an obligation to obtain research concerning, or to monitor and recommend sales (or additional purchases) of, securities acquired on an unsolicited basis. If you effect trades in securities that we do not follow or about which we have a contrary recommendation, this will be at your own risk.

Advisor Discretion. Any change to investments (and trading thereof), asset allocation, or rebalancing within the same Investment Objective will not require your consent because you grant to us the Authority to select and implement these changes. We, through your Advisor, will have investment and trading discretion over your assets, which will empower your Advisor to make investment and trading decisions with respect to your Personalized Strategy assets without contacting you.

b. Defined Strategies.

A Defined Strategy is a group of securities constructed and managed by an Advisor to achieve one or more investment style disciplines, and is generally managed consistently across multiple clients. A Defined Strategy is managed with Advisor Discretion only, and may consist of individual securities, Funds or a combination of both.

Each Advisor that creates a Defined Strategy must meet certain qualifications set by us. Not all Advisors can or will offer Defined Strategies. You may also choose to have your assets managed by an Advisor who is not the Advisor primarily responsible for your relationship with Merrill Lynch. In these cases, the Advisor selected to manage your assets will be responsible for implementing the Defined Strategy. Under certain circumstances, the Advisor managing a Defined Strategy may change the Defined Strategy used to manage your Account based on various factors, including changes in your financial situation, Account Investment Objective, your Portfolio Target Asset Allocation and/or market conditions.

Please see “Portfolio Manager Selection and Construction; Defined and Personalized Strategies Review, Selection and Construction” for more information on how Defined Strategies are constructed.

Advisor Discretion. Your Advisor will select the types of investments that make-up the Defined Strategy, assign a corresponding asset allocation percentage for each investment where applicable, and select the rebalancing frequency for the assets where applicable. Any change to investments (and trading thereof), asset allocation, or rebalancing will not require your consent. We, through your Advisor, will have investment and trading discretion over your assets, which will empower us to make investment and trading decisions with respect to your assets without contacting you.

c. Research and Tools Available to Your Advisor in Defined and Personalized Strategies.

Both a Defined and Personalized Strategy will be dependent upon your Advisor’s investment expertise and methodology but may be supported by research and guidance prepared by us or certain third-party research providers and other resources. We use various securities analysis

methods, including fundamental, technical, quantitative and economic analyses. The primary sources of information we use may include company management contacts, company releases, financial and trade newspapers and magazines, corporate rating services, annual reports, and filings with governmental agencies. An Advisor’s investment analysis may also use other sources of information including, among other things, research reports and market commentary issued by other investment firms that are not affiliated with us. In addition, your Advisor may also use our proprietary model portfolios as a preliminary basis in formulating investment recommendations designed to implement the Strategy you choose. The use of such proprietary model portfolios does not assure or guarantee that the performance of your Strategy or any investments therein will be consistent with the proprietary model portfolio or will necessarily be profitable.

d. Investment Options Available in a Defined and Personalized Strategy.

In your Defined and Personalized Strategies, your Advisor may purchase or recommend different types of securities, including, although not necessarily limited to, the following (available securities may change over time as determined by us):

- Equity Securities, including exchange-listed and over the counter equity securities;
- Certain Funds, including certain ETNs;
- Rights and Warrants;
- Foreign ordinary and certain foreign-debt securities;
- Certain American Depositary Receipts (“ADRs”);
- Derivatives;
- Corporate, municipal and U.S. government-debt securities, including those guaranteed or issued by their agencies;
- Certain asset-backed securities
- Master Limited Partnerships (“MLPs”)
- Real Estate Investment Trusts (“REITs”)
- Certain United Investment Trusts (“UITs”)
- Securities options;
- Money market instruments; and
- Alternative Investments (certain Alternative Investments are only available in non-retirement Personalized Strategies with Client Discretion and may be subject to additional qualifications.)

Your Advisor may purchase or recommend the purchase of equity securities that have a “Buy,” “Neutral” or “Underperform” rating by Bank of America Global Research (“BofAML Global Research”), or that may not have a rating by BofAML Global Research. Your Advisor also may purchase or recommend the purchase of fixed-income securities rated by a rating agency as investment grade or below investment grade or that are not rated. To the extent one or more ratings change on a particular security, your Advisor may determine or recommend the disposition of that security.

The Funds available through Managed and Custom Managed Strategies are generally also available in Personalized and Defined Strategies. Those Funds available in Personalized and Defined Strategies that are not otherwise available in Managed or Custom Managed Strategies are not subject to the same review and approval process as the Funds offered in Managed and Custom Managed Strategies. Please see “Portfolio Manager Selection and Construction; Defined and Personalized Strategy Construction” for more information on how Personalized Strategies are constructed.

Consistent with your Account Investment Objective and your Portfolio Target Asset Allocation, your assets may also be held as cash or cash equivalents (collectively referred to as “cash”) for a variety of purposes, such as:

- Fulfilling your Strategy’s (or Portfolio’s) allocation to cash (as an asset class);
- Transaction execution;
- Program Fee collection; and
- Asset protection purposes (e.g., during periods of volatile market conditions).

As described in more detail below in “Program Fees”, your cash and cash equivalents in all Program Accounts will be subject to the Program Fee.

3. Program Guidelines

We have established certain guidelines relating to the management of assets in the Program. These guidelines, which we may modify from time to time, cover various topics including:

- The types of securities available to be purchased for your Strategy based on our internal and third-party research opinions;
- Investment specific guidelines (i.e., levels of or targets for diversification, concentration, and certain other guidelines and oversight measures); and
- Certain regulatory requirements.

The impact of any guidelines on your Strategy and/or Portfolio will depend upon a variety of factors, including, but not limited to:

- The Advisor responsible for implementing your Strategy;
- The Strategy or Strategies being implemented in your Portfolio;
- The applicable Portfolio Target Asset Allocation;
- The applicable Account Investment Objective;
- The Reasonable Investment Restrictions that you may impose (if any);
- The amount of cash maintained in your Strategy; and
- Market conditions.

You may be notified if your Portfolio deviates from the internal guidelines based on the Strategy managed in your Portfolio. Action may be required to bring the Portfolio or Account back in line with applicable guidelines. If you decide not to do so, your Portfolio and/or Account may, in our discretion, be terminated by us.

Our supervision and monitoring does not substitute for your own continued review of your assets and the performance of your investments. You are responsible for reviewing performance reports, trade confirmations, monthly account statements, and other information we send to you. If you identify any discrepancies, you should promptly report them to your Advisor.

Because of our and our Affiliates’ business relationships, there may be occasions when we will be unable to recommend the purchase or sale of certain securities for your Accounts, 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 Program Accounts. In addition, we may obtain information anytime through various non-Program-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. Our investment advice will generally not include

any recommendations concerning the purchase or sale of common stock, preferred stock and debt securities issued by Bank of America Corporation, and certain Affiliates and other Related Companies, as well as other securities that we may determine from time to time.

Brokerage and Custody Services

If you maintain your Account at Merrill Lynch or an Affiliate, the Program Fees you pay generally cover the custody of your assets and the execution of securities transactions in the Program (except as otherwise indicated). Certain brokerage or banking features may not be available depending on the Strategy you select.

1. Brokerage Services

In your Client Agreement, you appoint us and/or a Discretionary Manager, depending on the Strategy and Authority you select, to act as your agent and attorney-in-fact with such discretionary power and authority to buy, sell or otherwise effect transactions in stocks, options, bonds and any other securities or other property, in whole or in part, on margin and in your name for your Accounts. You also authorize and direct us to cause all transactions (including foreign ordinary security transactions placed by Discretionary Managers) to be effected through Merrill Lynch or our Affiliates acting as agent, or as permitted by law, as principal. Even where permitted, principal transactions are only effected in accordance with Program guidelines.

Please be aware that, under certain circumstances, you may be able to obtain better prices for securities transactions, including smaller spreads (the difference between the bid and the offer price) or more favorable net prices, from other broker-dealers or obtain better pricing through different types of accounts available at Merrill Lynch; however, you will pay commissions on securities transactions executed through those accounts, which are in addition to the Program Fees.

If we, an Affiliate, or a Discretionary Manager cannot effect a transaction on your behalf, you authorize and direct us and Discretionary Managers to effect the transaction through an Unaffiliated Investment Firm, and to establish accounts as necessary for the purpose of effecting transactions in the Program.

Discretionary Managers have authority to place all orders (except for foreign ordinary securities) for transactions with a broker-dealer selected by the Discretionary Manager, including an Unaffiliated Investment Firm, when consistent with their obligation to obtain best price and execution. For certain Discretionary Managers, we may provide administrative services to the Discretionary Manager to assist with the placement of orders at its direction. In selecting a firm to execute transactions and the markets on or in which the transactions will be executed, the Discretionary Manager is not obligated to solicit competitive bids for each transaction or seek the lowest available commission cost to you, so long as it reasonably believes that the firm it selects can be expected to obtain a “best execution” market price on the particular transaction.

For certain Discretionary Managers who have authority to place orders for particular (but not all) transactions in an Account, they have authority to place orders for such trades with us and our affiliates or an Unaffiliated Investment Firm if the Discretionary Manager determines, after consultation with us, that (i) they are able to aggregate a particular trade for Program clients in a block trade, and (ii) such aggregation is expected by them to be for the overall benefit of our Program clients.

When a Discretionary Manager selects a firm to execute transactions, or when we select an Unaffiliated Investment Firm to execute transactions because we cannot effect a transaction, the Discretionary Manager or MAA, as applicable, will take into account various factors, such as:

- The nature and quantity of the securities involved;
- The markets involved;
- The importance of speed, efficiency and confidentiality;
- The firm's apparent knowledge of such markets and sources from or to whom particular securities might be purchased or sold;
- The reputation and perceived soundness of the firm;
- The ability and willingness of the firm to facilitate both purchases and sales of securities for client accounts by participating in such transactions for its own account;
- The firm's clearance and settlement capabilities; and
- Other factors relevant to the selection of a broker-dealer for the execution of client securities transactions.

The cost of brokerage commissions for any trades placed by a Discretionary Manager and executed by an Unaffiliated Investment Firm, except for those in foreign ordinary and ADR securities, will be deducted from the Style Manager Expense that would otherwise be paid to the Discretionary Manager. However, for some Discretionary Managers, the Style Manager Expense will be higher than that for other Style Managers with the same or similar Strategies, and, as a result, you will indirectly bear the cost of trades executed with Unaffiliated Investment Firms. Since you will pay the same Style Manager Expense regardless of whether or not a Discretionary Manager trades for your Account through an Unaffiliated Investment Firm, this may create a material conflict of interest, or the appearance of a material conflict of interest, between the Discretionary Manager and you.

You, rather than us or the Discretionary Manager, will bear the cost of markups or markdowns that are not covered by the Program Fees and that are payable to Unaffiliated Investment Firms (including on fixed-income or over-the-counter transactions in which MLPF&S and its affiliates act as agent).

In effecting transactions for your assets in the Program, we or our Affiliates will be acting exclusively as a broker-dealer. We or a Discretionary Manager may, but is not required to, aggregate orders for the sale or purchase of securities for your Strategies with orders for the same security for our other clients, proprietary accounts or the accounts of our employees (including your Advisor) and/or related persons, without your prior authorization. In such cases, each account in the aggregated transaction will be charged or credited with the average price and, when applicable, its pro rata share of any fees. To the extent Style Managers provide similar investment recommendations for a particular Strategy or Strategies to MAA for implementation, MAA's ability to implement those recommendations may be affected by the liquidity of the security, market volatility, and any price limits that may be imposed by the Style Managers. This may in turn have a negative impact on the performance of a Strategy.

For Personalized Strategies with Client Discretion, we have discretion as to the price or time at which we can execute an order for a transaction, as long as the transaction is exercised the same day the order is given and is consistent with our duty to seek best execution. If we believe that it may be appropriate to execute an order later than on the same day we receive the order, we will ask for your written authorization to do so. We may, but

are not required to, exercise time and price discretion to aggregate orders for the sale or purchase of securities for your Defined and Personalized Strategy (including Personalized Strategies with Client Discretion) with orders for the same security for our other clients, our own accounts, or the accounts of affiliates or employees (including your Advisor). Generally, each account in an aggregated transaction will be charged or credited with the average price per share or unit, and when applicable, a pro rata share of any fees.

For foreign ordinary security transactions, when we execute outside the United States we may use the services of foreign Unaffiliated Investment Firms. These foreign Unaffiliated Investment Firms may handle your order as agent and assess a commission charge, or they may transact as principal and receive a dealer spread or markup/down. Additionally, to the extent a foreign currency conversion transaction is required to facilitate trade settlement, the foreign Unaffiliated Investment Firm (or its affiliate) effecting the currency conversion will be remunerated in the form of a dealer spread or markup/down. Although the remuneration received by the foreign Unaffiliated Investment Firm is not disclosed to or by us in net price transactions, we will undertake, at your written request, to determine or ascertain from the counterparty this remuneration in a given transaction for your Strategy. The commission charges and/or dealer spreads of foreign Unaffiliated Investment Firms may also accrue when foreign issuers terminate an ADR facility, thereby necessitating conversion of ADRs to foreign ordinary share form. In such circumstances, the prices obtained for the post-ADR security may be less beneficial to you than if the ADR remained intact. These commission charges and/or dealer spreads are in addition to the Program Fee.

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

2. Custodial Arrangements

Generally, MLPF&S or one of our Affiliates will act as the custodian for the assets held in the Program. Your assets will be maintained in one or more central asset accounts established at MLPF&S through the applicable securities account. In the Client Agreement, you agreed to open any necessary securities accounts and execute the applicable MLPF&S securities account agreements. If you already have an existing MLPF&S securities account ("existing account") and instruct us to open a similar type of account for the Program ("new account"), the agreement and related documentation for your existing account will apply to your new account.

In limited circumstances, if we agree, you may use an Unrelated Custodian to maintain custody of assets in the Program. You should understand that, if you choose an Unrelated Custodian, you will be responsible for all related custodial fees and expenses, which are in addition to the Program Fee. Furthermore, you should understand that

the performance reports provided by us for your Portfolios and Strategies will be based on information provided to us by the Unrelated Custodian, which we will use for purposes of calculating the Program Fee, monitoring your Target Asset Allocation and for other purposes. We will not be responsible for verifying the accuracy of such information or any losses or errors by an Unrelated Custodian in your Strategies. You agree to promptly notify your Advisor about any additions of assets to any account maintained at an Unrelated Custodian and that we will not be responsible or liable for any losses due to your failure to provide such prompt notification.

Any assets held in the Program must be and remain free from any lien, charge or other encumbrance (other than a lien, charge or other encumbrance in favor of us or our Affiliates), unless we agree otherwise. You must notify us in writing prior to effecting loans secured by securities in the Program (including loans by our Affiliates) (commonly referred to as “collateralizing”). We will not provide advice on or oversee any of your collateral arrangements. Unless we otherwise agree, in the event of any conflict between the terms of the Client Agreement and your collateral arrangements, the terms of the Client Agreement will prevail. You must also disclose to any lender the terms of the Client Agreement. No specific securities in your Strategies should be held as collateral to secure your loan. There are adverse effects of collateralizing Strategies, including, but not limited to, the fact that the lending institution may require additional collateral or liquidation of securities to meet a call, as well as the related tax consequences. You must promptly notify us of any default or similar event under your collateral arrangements as defined in the respective collateral arrangements.

Cash and cash equivalents held with Unrelated Custodians will not be subject to the same sweep arrangements as securities accounts held with us (as described below), but will be included in the value of your Account for the calculation of the Program Fees. You should establish appropriate sweep arrangements with the Unrelated Custodian.

Account Preferences and Other Elective Services

You are able to set certain “Account Preferences” for each of your Accounts in the Program based on the Strategy you selected, including:

- Proxy Voting and other Legal Matters;
- Frequency of Trade Confirmation Statements;
- Electronic Delivery of Certain Materials; and
- Reasonable Investment Restrictions

You also have the option to participate in certain of our “Elective Services,” such as:

- Optional Rebalancing Service; and
- Automatic Contribution and Automatic Withdrawal Services

You should discuss the availability of these Account Preferences and Elective Services with your Advisor as certain of them are not available in all Strategies. To take advantage of certain of these Account Preferences and Elective Services, you may be asked to complete additional documentation.

1. Proxy Voting and Other Legal Matters

a. Proxy Voting

You have the right to vote proxies for securities held in your Account(s) or to select a third-party agent to vote on your behalf. If you grant investment discretion and trading authority to either us or a Discretionary Manager, you may delegate proxy voting authority for all securities to a proxy voting service provider we have engaged (“Proxy Delegation Vendor”).

You will provide to us your initial instruction regarding proxy voting in Your Account Preferences Page to your Client Agreement. You may designate different elections for each of your Accounts; each election will apply to the Account specified unless the proxy voting option you elect is no longer available, or until you make a different election.

For each Account, your proxy voting election will be reflected in your Portfolio Summary, which is a periodic communication to you that contains important information about your Portfolios, Accounts and Strategies.

For all account enrollments unless you notify us in writing, you instruct as follows: (1) for Personalized Strategy with Client Discretion Accounts, you will retain proxy voting authority, (2) for all other Strategies, you delegate voting discretion to the Proxy Delegation Vendor, Institutional Shareholder Services (“ISS”) or a successor proxy voting service, voting under Benchmark Guidelines, or to Merrill Lynch, as described below.

If you select a proxy voting option and subsequently change to a Strategy where that option is no longer available: (1) for Personalized Strategy with Client Discretion Accounts you will retain proxy voting authority, (2) for all other Strategies, you delegate to the Proxy Delegation Vendor as described above.

When you elect the Proxy Delegation Vendor, you delegate proxy voting authority with respect to all securities that are not Specified Investments, including shares of Funds, held in your Account to the Proxy Delegation Vendor:

- The Proxy Delegation Vendor will vote proxies in accordance with its policies and procedures for the proxy voting option you elect.
- If we replace the current Proxy Delegation Vendor with another Proxy Delegation Vendor, we will provide you with notice of the change.
- The Proxy Delegation Vendor represents that its policies are consistent with ERISA standards and available on its website.
- MAA or MLPF&S, as applicable, will vote proxies and receive other issuer-related material with respect to securities held in your Account for which the Proxy Delegation Vendor is unable to vote (called Specified Investments), with certain exceptions as noted in below.
- For proxies not covered by the Proxy Delegation Vendor or included as Specified Investments, you will retain the right to vote those proxies.

When you retain proxy voting authority:

- We will promptly send you proxy ballots and related shareholder communications that we receive, as well as any other information intended for distribution to you. You are responsible for taking any actions.
- If your Account is subject to the provisions of ERISA, you represent that plan documents and applicable law authorize voting authority to be reserved to the trustee(s) either in the direction of the trustee(s) or pursuant to the direction of a named fiduciary.
- If we are the custodian of your Account, and we do not receive voting instructions from you or your delegate, we will comply with the rules of the NYSE and the SEC relating to such matters, as required by law.

Unless you and we agree otherwise, you must retain the right to vote proxies for:

- Any securities held in an Account at a firm or custodian other than Merrill Lynch.
- A plan that is subject to ERISA, a tax-qualified plan of self-employed persons or an individual retirement account if in addition to ERISA standards, you wish any other proxy voting objectives to be considered.

In the event a security that was a Specified Investment is no longer a Specified Investment and not covered by the Proxy Delegation Vendor's proxy voting services, then MAA's and MLPF&S's respective authority to vote proxies with respect to that security will terminate, and authority to vote proxies with respect to such security will revert to you. In that event, we will use our best efforts to send to you all issuer-related materials for such security held in your Account. In instances where we have determined it is not possible given timing or other circumstances, those proxies will not be voted. Delivery of those issuer-related materials to you will constitute notice that proxy voting authority with respect to a security has reverted to you.

None of MAA, MLPF&S or ISS or a successor Proxy Delegation Vendor, as the case may be, will vote in the following circumstances:

- The proxy or other relevant materials are not received in sufficient time to allow an appropriate analysis or to allow a vote to be cast by the voting deadline; or
- MAA, MLPF&S or ISS or a successor proxy voting service, as the case may be, concludes that the cost of voting the proxy will exceed the potential benefit to you.
- In respect of foreign ordinary securities if voting may cause the sale of the security to be prohibited under foreign law for a period of time, usually the time between the record and meeting dates.
- Any Specified Investments held in your Account in any instance where MAA or MLPF&S is unable to obtain supplemental information that it deems necessary to make an informed decision regarding the manner in which to vote.

You may choose to rescind the proxy voting authority that you granted to MAA, or MLPF&S and the Proxy Delegation Vendor, as applicable, by contacting your Advisor.

If you direct MAA, MLPF&S and/or Proxy Delegation Vendor to vote proxies, each will exercise the applicable voting authority in its sole discretion without any reservation of authority by you to direct voting with respect to a specific proxy. MAA, MLPF&S and Proxy Delegation Vendor will each vote proxies according to its respective proxy voting policies and procedures, which in the case of the Proxy Delegation Vendor, are available on the Website. MAA's and MLPF&S's policies and procedures are also summarized below.

You may enroll in the Merrill Lynch Class Action Settlement Service, which is a separate administrative service and not part of the services provided in the Program. For more information on this additional service, contact your Advisor. Otherwise, we will not advise or act for you with respect to any legal matters (other than proxies) for securities held in your Account, including bankruptcies, consents, or class actions, and we will use our best efforts to send you any documents received with respect to such matters.

b. Summary of Proxy Voting Policies

MAA and MLPF&S each has written policies and procedures for the voting of securities in accounts where it has proxy voting responsibility. These policies and procedures seek to ensure that proxy voting decisions are made in the best interests of our clients. When voting proxies for Accounts, MAA's and MLPF&S's primary objective is to make voting decisions solely in the best interests of clients. MAA and MLPF&S will seek to act in a manner that we believe is most likely to enhance the economic value of the underlying securities held in client Accounts.

Given the complexity of the issues that are raised in connection with proxy votes, MAA and MLPF&S have each established a proxy voting committee to address proxy voting issues on behalf of clients that have delegated proxy voting authority to it. Each proxy voting committee:

- Determines how to vote the proxies and it seeks to ensure that all votes are consistent with the best interests of clients and are free from unwarranted or inappropriate influences.
- 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.
- May determine that the specific circumstances of each Account require that the Account's proxies be voted differently.

To assist in voting proxies, MAA and MLPF&S have retained ISS for vote execution and recordkeeping.

The proxy voting guidelines, which represent each proxy voting committee's usual voting position on certain recurring proxy issues that are not expected to involve unusual circumstances. These issues include proposals related to:

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

The respective proxy voting committee may elect to vote a particular proxy in a manner contrary to its generally stated guidelines if the committee determines that doing so is, in the committee's judgment, in the best interest of MAA's or MLPF&S's clients, as applicable.

Each of MAA and MLPF&S has adopted specific proxy voting procedures to address potential conflicts of interest when proxies relate either to the parent or an affiliate of MAA or MLPF&S or to money management or other clients of MAA or MLPF&S. The proxy voting procedures allow the respective proxy voting 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 clients. If a proxy voting 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 sub-committee consisting of committee members whose job responsibilities do not include contact with a particular Client and whose job evaluations would not be affected by MAA's or MLPF&S's relationship with that client (or failure to retain such relationship).

A copy of each of MAA's and MLPF&S's proxy voting policies and procedures is available upon request. If you would like a copy, or if you would like information about how MAA or MLPF&S voted securities held in your Account, please contact your Advisor.

Additional Information About ISS. On May 23, 2013, ISS consented to the entry of an administrative order issued by the SEC (the "SEC Order") on matters relating to policies and procedures to prevent the misuse of material, nonpublic proxy voting information of ISS' shareholder advisory clients. A copy of the SEC Order is available on the SEC's website at www.sec.gov. In the SEC Order, ISS was censured and ordered: (1) to pay a civil money penalty in the amount of \$300,000; (2) to cease and desist

from committing or causing any violations and any future violations of Section 204(A) of the Advisers Act; and (3) to comply with the undertakings enumerated in the SEC Order. These ISS undertakings in the SEC Order were, among other things: (1) to retain, at ISS' expense, an independent consultant not unacceptable to the SEC staff (the "Consultant") to conduct a comprehensive review of ISS' supervisory and compliance policies and procedures reasonably designed to ensure that its proxy voting services business complies with the Advisers Act in connection with the treatment of confidential information, communications with proxy solicitors and gifts and entertainment; (2) to require the Consultant to submit a report that includes recommendations for any changes in or improvements to ISS' supervisory and compliance policies and procedures (the "Report"); and (3) to adopt and implement all recommendations included in the Report. In determining to accept ISS' settlement offer, the SEC considered remedial acts promptly undertaken by ISS and cooperation afforded the SEC staff.

In connection with the SEC Order against ISS, Merrill Lynch conducted supplemental reviews of ISS and its policies and procedures and presented the results of such reviews to the Proxy Committees of MLPF&S and MAA. Based upon these reviews and Merrill Lynch's monitoring and evaluation of ISS, the Proxy Committees of MLPF&S and MAA determined to continue to make ISS available as the proxy voting service provider in the Program and other relevant Merrill Lynch programs for those clients who have elected, and who will elect, the delegation of their proxy voting authority to ISS. Additional information about ISS, including its ADV 2A firm brochure, is available on the SEC's website at www.adviserinfo.sec.gov.

2. Frequency of Trade Confirmation Statements

You will receive trade-by-trade confirmation for transactions in your Accounts; however, you may elect to receive transaction information on a periodic basis, which will be no less than quarterly, except for Personalized Strategy with Client Discretion Accounts and for certain Custom Managed Strategy Accounts where you can only receive trade-by-trade confirmation for transactions. Your initial instruction in the Account Preferences section in your Client Agreement regarding receipt of trade-by-trade confirmations will apply to your applicable Accounts until such instruction is changed. Your election regarding receipt of trade confirmation statements will be reflected in your Portfolio Summary.

If you elect to receive trade information on a periodic basis, you understand the following:

- We will send copies of trade-by-trade confirmation information to your Discretionary Manager or Advisor;
- You will not pay a different fee if you elect to receive periodic confirmation statements.
- You can rescind this instruction in writing at any time;
- Electing periodic confirmations is not a condition for entering into or continuing to participate in a Strategy or the Program;
- You may request to receive, at no additional cost, trade-by-trade confirmations effected for your Account for up to one year after we send the last periodic statement reflecting those transactions; and
- You may receive interim updates and further details concerning any transaction effected between periodic statements either online (if you're enrolled) or by calling your Advisor.

3. Electronic Delivery of Certain Materials

You may request and provide us with your consent to electronic delivery of Program materials by accessing an internet website designated by us. When you consent, you will generally authorize us to deliver all disclosures

and notices related to the Program to you electronically. Electronic delivery may not be available for all Program related communications, in which case, we will send paper copies to you. Regardless of whether you provide us the foregoing consent, unless you indicate otherwise on Your Account Preferences Page, you agree to electronic delivery of applicable disclosure documents and brochures for any Style Managers in the Program through CD-ROM (to be viewed on a computer) or other digital media format.

4. Reasonable Investment Restrictions

You may impose "Reasonable Investment Restrictions" on the management of your Program assets. Your initial instruction to your Advisor regarding investment restrictions, if accepted by us, will be reflected in your Portfolio Summary and will apply to your applicable Accounts until such instruction is changed. You may elect to have different investment restrictions applicable to each of your Accounts.

Based on the Strategy you select, different parties will be primarily responsible for determining whether an investment restriction is reasonable and, if deemed reasonable, how to allocate the assets that would have been invested in the restricted security(ies). Even if one of the parties below deems an investment restriction to be reasonable, we reserve the right to deem it to be unreasonable.

STRATEGY	RESPONSIBLE PARTY
Managed Strategies	MAA
Custom Managed Strategies	MAA
Personalized Strategies	Your Advisor
Defined Strategies	Your Advisor*

** If you request that your Defined Strategy be managed by an Advisor different from your Advisor, such designated Advisor will also be the party responsible for investment restriction management.*

If an investment restriction is reasonable, the responsible party will allocate the assets that would have been invested in the security(ies) impacted by the investment restriction (1) pro rata across other investments held in the Portfolio or Strategy, (2) to one or more substitute securities, which might include ETFs, or (3) to cash. If one or more investment restrictions are determined to be unreasonable, the Account will not be opened and you should consider other more appropriate Strategies in the Program, or other more appropriate products or services. We reserve the right to modify our practices regarding investment restrictions in our sole discretion at any time without notice.

If you elect to restrict investments, you accept any effect such restrictions may have on the investment performance and diversification of the Strategy or your Portfolio. In addition, investment restrictions or any other limitations provided by you will not apply to the securities held in the portfolio of any Fund in which your Strategy may be invested; consequently, your ability to restrict investments in a Strategy holding Funds will be limited.

5. Optional Rebalancing Service; Automatic Contribution and Withdrawal Services

If you want to schedule automatic rebalancing, contributions to or withdrawals from your Personalized Strategy with Client Discretion Account, you may enroll in the Optional Rebalancing Service or the Automatic Contribution and/or Withdrawal Service by completing the applicable Letter of Authorization. Once completed, signed and submitted to your Advisor, the Letter of Authorization supplements your Client Agreement and enrolls you in the Optional Rebalancing Service and the Automatic Contribution and/or Withdrawal Service at no additional cost.

By executing the Letter of Authorization, you authorize us to effect such scheduled securities transactions (each, an “Automatic Transaction”) on an ongoing basis without making any additional contact with you. Your instructions will continue in effect until the expiration date is reached (if applicable) or you change or cancel your instructions, or your Account is terminated. You can change or cancel instructions at any time. If you decide to cancel the instructions, you may keep any or all of the Eligible Assets in your Account or sell part or all of them.

Only certain types of assets (which may not include all of the assets in your Account) are eligible for these Services. Eligible Assets consist of certain equity securities available in the Program, including the securities of certain Funds (excluding Alternative Investment Funds), and cash and cash equivalents (“Eligible Assets”). Foreign ordinary shares, securities rated “Underperform” by BofAML Global Research and other securities that are “Restricted” by us are currently not Eligible Assets. We may, from time to time, change which securities are considered Eligible Assets with respect to these Optional Services.

You will be responsible for designating which of the Eligible Assets held in your Account you want to participate in these Optional Services, as well as setting the individual target allocation percentage for each Eligible Asset. You may also set a range above and below the target allocation percentage for each Eligible Asset within which any automatic transaction(s) will not be effected. For both the Optional Rebalancing Service and the Automatic Contribution and Withdrawal Service, your designations will be recorded on Schedule A to the applicable Letter of Authorization.

If you want to add to, delete or otherwise change your Eligible Assets or target allocation percentage designations, you must confirm these changes with your Advisor.

You will also designate the frequency at which the Automatic Transactions will be performed in your Account (i.e. quarterly, semi-annually or annually, as applicable). For new enrollments, the initial rebalance will be performed either on the first scheduled rebalance date after the enrollment of your Account into the Program and the related Letter of Authorization are approved or on the initial trade date agreed to between you and your Advisor (whichever is later). For existing Accounts previously enrolled in the Program, you and your Advisor will determine the initial rebalance date. The initial transactions executed in connection with an automatic contribution or withdrawal will take place on the initial trade date as determined by you and your Advisor.

If the selected trade date falls on a non-business day, the Automatic Transactions will take place on the next business day.

You can deposit, transfer or contribute additional Eligible Assets to your Account at any time. These securities may or may not be included in the next scheduled Automatic Transaction. The addition of Eligible Assets, where such assets are already part of your Schedule A, will be included in the next Automatic Transaction. The addition of Eligible Assets not already part of your Account will not be included in the next Automatic Transaction or any Automatic Transaction thereafter until a new Schedule A is issued with respect to such assets. If you want to add Eligible Assets for rebalancing that are not already part of your Account prior to the next scheduled rebalance date, you must contact your Advisor to issue a new Schedule A and to authorize an interim rebalancing.

Additional cash deposited into an Account can be invested at any time as you instruct. Like additional Eligible Assets, additional cash may or may not be automatically invested upon the next scheduled rebalance date or automatic contribution date. Cash in an Account will be automatically invested in Eligible Assets upon the next rebalance date, and cash added

to an Account through automatic contributions will be invested in Eligible Assets on the next automatic contribution date, provided that you have designated a target allocation percentage within your Schedule A for cash in your Account and the cash position exceeds that target allocation percentage within your Schedule A. Cash that does not have a target allocation is invested only if you specifically instruct your Advisor to invest the cash and you provide the Advisor with instructions on how you want that cash invested.

Under applicable regulations, we will report any trades executed in connection with the Optional Rebalancing Service or the Automatic Contribution and Automatic Withdrawal Service to you in your monthly account statement for the month during which the transactions occurred.

For Accounts enrolled in both the Optional Rebalancing Service and the Automatic Contribution and Automatic Withdrawal Service, if the Automatic Transactions are set to occur on the same date, the rebalancing transactions will take place on the next business day after the automatic contribution or withdrawal transactions are effected.

Your scheduled Automatic Transactions for a particular trade date can be canceled by us as a result of changes in, or the availability (or lack thereof) of, one or more of the Eligible Assets, specific circumstances in your Account, or for other operational, technical or administrative reasons. Examples of situations where Automatic Transactions for your Account may not occur include, among other things:

- One or more securities listed as Eligible Assets in your Account are rated “Underperform” by BofAML Global Research or become designated as “Restricted” by us;
- Corporate actions (e.g., merger, fund closure, liquidation) relating to a security;
- If you selected a price range for one or more securities and all securities are within the range;
- A transaction that would result in a purchase below \$100 for a full rebalance or \$10 for a cash rebalance; or
- When an Account is reduced to cash and you have provided no target allocation percentage for cash.

If we cancel your scheduled Automatic Transactions, your Advisor will notify you of the reason(s) for the cancellation so that you may verbally provide us with instructions to execute the scheduled transactions. Where Automatic Transactions are cancelled by us, future scheduled Automatic Transactions will resume after the cancelled trade date at the frequency you previously authorized.

Neither we nor our affiliates, employees, or agents will be liable for any loss or expense that may result from your use of the Optional Rebalancing Service or the Automatic Contribution and/or Withdrawal Service. Each time Eligible Assets are sold (whether in connection with an Optional Service or otherwise), there may be current tax consequences. Neither we nor our Advisors provide tax, accounting or legal advice. You should review any planned financial transactions or arrangements with your professional advisors for these matters.

6. Optional Rebalancing

If you elect to participate in our Optional Rebalancing Service, each scheduled rebalancing generally will take the form of a Full Rebalance. A “Full Rebalance” will execute trades (purchases or exchange-purchases and sales or exchange-sales) designed to bring the Eligible Assets in your Account as close as possible back to your target allocation percentages consistent with the methodology described herein. A Full Rebalance can potentially trade every position in your Account if all such positions consist

of Eligible Assets. The rebalancing system will first execute sales and then purchases. The rebalancing system will enter purchases for 1% below the calculated amount to avoid purchasing more than the amount sold.

Additional cash deposited into an Account can be invested at any time, as instructed by you, and will take the form of a one-time "Cash Rebalance". A Cash Rebalance will use cash in an Account and purchase shares of the Eligible Asset that is the most underweight relative to its target allocation percentage. When that Eligible Asset is brought back to its target allocation percentage, the Eligible Asset next furthest below its target allocation percentage will be purchased, and so on, until the cash is brought into its target allocation percentage. A Cash Rebalance may or may not bring all Eligible Assets to their target allocation percentages because Eligible Assets that are overweight in the portfolio, if any, will not be sold.

7. Automatic Contribution

Automatic contribution amounts will be used to purchase Eligible Assets in your Account. We will first purchase shares of the Eligible Asset that is the most underweight relative to its target allocation percentage. If that security is brought back to its target allocation percentage, without using the entire contribution amount, the security next furthest below its target allocation percentage will be purchased, and so on, until the contributed amount is fully utilized. An automatic contribution may or may not bring all underweight Eligible Assets to their target allocation percentages. If all underweight Eligible Assets are brought to their target allocations, any additional security transactions needed to fully utilize the contributed amount will be effected on a pro-rata basis using the target allocation percentages you have elected. Trades will not be executed unless sufficient cash is held in your Account as of the scheduled trade date.

8. Automatic Withdrawal

Automatic withdrawal amounts will be generated through the sale of Eligible Assets in your Account. To generate the specified withdrawal amount, we will sell shares of the Eligible Asset that is the most overweight relative to its target allocation percentage. If that security is brought back to its target allocation percentage, without generating the specified withdrawal amount, the security next furthest above its target allocation percentage will be sold, and so on, until the amount of the specified withdrawal is achieved. An Automatic Withdrawal may or may not bring all overweight Eligible Assets to their target allocation percentages. If all overweight Eligible Assets are brought to their target allocations, any additional security transactions needed to fulfill the specified amount will be effected on a pro-rata basis, using the target allocation percentages you have elected. Cash generated by trades executed in connection with automatic withdrawals will remain in your Account until you provide instructions to withdraw the cash from the Account.

Program Fees

For the Services provided in the Program, you will pay to us an annual asset-based fee ("Program Fee") at the rates set forth in the fee schedule below ("Program Fee Rate"), which will be payable monthly in advance. Please see "Other Fees and Expenses" for a list of other fees and expenses that you may be charged and that are not included in the Program Fee.

1. Program Fee Rate

The Program Fee Rate is a combination of (i) the fee rate for our Services, referred to as the "Merrill Lynch Fee Rate" and, if applicable, (ii) the expense rate for the Style Manager's services with respect to each Style Manager Strategy in your Account, referred to as the "Style Manager Expense Rate." Each of your Accounts may be subject to a different Program Fee Rate, and your Program Fee will be calculated separately for each Account.

The Program Fee Rates applicable to each of your Account(s) will be set forth in your initial Portfolio Summary and you will receive an updated Portfolio Summary each time you and your Advisor agree to a change to your Program Fee Rate(s). Upon your request, and at no charge, we will provide to you additional detailed information regarding your Program Fees. Please contact your Advisor if you would like to receive this more detailed Program Fee information.

a. Merrill Lynch Fee Rate

In the Client Agreement you agree to pay the Merrill Lynch Fee Rate set forth in the Program Fee Schedule below. However, you may be able to negotiate the Merrill Lynch Fee Rate applicable to your Accounts with your Advisor depending on a number of factors. The extent to which we may negotiate the Merrill Lynch Fee Rate is solely within our discretion.

The Merrill Lynch Fee Rate applicable to your Account is generally based on the value of the assets in your Account.

Subject to our sole discretion, we may consider, in addition to the assets in your Account, certain assets and liabilities at Merrill Lynch held by you or others in determining the applicable Merrill Lynch Fee Rate from month to month. Our consideration of these other assets may result in a Merrill Lynch Fee Rate that is lower than the Merrill Lynch Fee Rate that would have been applicable to your Account if only the value of the assets in your Account were used to determine your Merrill Lynch Fee Rate. If such other assets and liabilities are considered, the Merrill Lynch Fee Rate applicable to your Account may vary from month to month based on the fluctuations in the value of these other assets and liabilities. At any time we may decide to no longer consider those other Merrill Lynch assets and liabilities in determining your Merrill Lynch Fee Rate. In no case will the Merrill Lynch Fee Rate applicable to your Account be higher than: (i) the Merrill Lynch Fee Rate you agreed to with your Advisor (set forth in your Portfolio Summary) as determined based solely on the value of the assets in your Account or (ii) the minimum Merrill Lynch Fee discussed below.

Your monthly Merrill Lynch Fee is subject to a minimum monthly fee of \$125 but cannot exceed the rates set forth in the Program Fee Schedule below. In certain instances and in our sole discretion, we may waive or reduce your minimum Merrill Lynch Fee.

b. Style Manager Expense Rate

The Style Manager Expense Rate applicable to your Account will vary depending on the Style Manager Strategy selected. Please see the "Style Manager Expense Rate Supplement" to this Brochure for more information on each Style Manager's Expense Rate.

Program Fee Schedule

THE PROGRAM FEE* SCHEDULE IS GENERALLY AS FOLLOWS:

ACCOUNT VALUE	MERRILL LYNCH FEE RATE
Less than \$1 million	2.70%
\$1 million – \$4.999 million	2.20%
\$5 million+	2.00%

** You will also be charged a Style Manager Expense Rate, if applicable. The applicable Style Manager Expense Rate ranges from 0.15% to 0.65% or as otherwise indicated on the applicable Profile. In certain cases, the Style Manager Expense Rate may have a fee rate above 0.65%; you will be provided with prior notice regarding such fee. (See the Style Manager Expense Rate Supplement to this Brochure).*

2. Calculation of Fees

The Program Fee Rate applicable for each Account is set forth in the fee schedule section in your most recent Portfolio Summary. The Program Fee is payable monthly in advance and is calculated as follows:

For each calendar month, the Merrill Lynch Fee Rate that will be applied to your Account will be one twelfth of the annual Merrill Lynch Fee Rate, subject to the minimum monthly fee and Program Fee Schedule discussed above. In certain instances and in our discretion, we may waive or reduce your Account's Merrill Lynch Fee for a particular month.

The Style Manager Expense Rate that will be applied to your Account will be one twelfth of the annual Style Manager Expense applied to the assets invested with the Style Manager(s) Strategy. If the Strategy you have selected includes a combination of Style Managers Strategies, the relevant Style Manager Expense Rates will be applied to the value of your assets invested with the respective Style Manager Strategies. In the event that your actual asset valuation is not available, the allocation of the Style Manager Strategy (instead of your actual allocation) will be used to calculate the Style Manager Expense component of the Program Fee.

a. Initial Program Fee

When you open up a new Account in the Program, an initial Program Fee will be assessed during the week following the date on which you have contributed the required minimum level of assets to the Account for the Strategy selected by you.

- The initial Merrill Lynch Fee will be calculated and paid to Merrill Lynch based on (i) the market value of the assets in your Account as of the earlier to occur of the last business day of the week or the last business day of the month following required funding, and (ii) one twelfth of the annual Merrill Lynch Fee rate applicable to such market value, and prorated based on the number of days remaining in the month from the date of required funding.
- The initial Style Manager Expense will be calculated based on (i) the market value of your assets invested with each Style Manager or Strategy as of the earlier to occur of the last business day of the week or the last business day of the month following required funding, and (ii) one twelfth of the annual Style Manager Expense Rate applicable to such market value, and prorated based on the number of days remaining in the month from the date of required funding.

b. Monthly Program Fee

The Program Fee is typically charged to your Account during the first week of the current calendar month.

- The Merrill Lynch Fee will be calculated and paid to Merrill Lynch based on (i) the market value of the assets in your Account as of the last business day of the previous calendar month, and (ii) one twelfth of the annual Merrill Lynch Fee Rate applicable to such market value.
- Except as noted above, the Style Manager Expense will be calculated based on (i) the market value of your assets invested with each Style Manager Strategy as of the last business day of the previous calendar month, and (ii) one twelfth of the annual Style Manager Strategy Expense Rate applicable to such market value.

Except as described below, the following changes to your Account that may occur during the month will not change the Program Fees calculated for the month but will be applied in determining the next month's Program Fee. These include but are not limited to:

- Changes in the value of your Program Account(s);
- Fluctuations in the value of your assets and liabilities at Merrill Lynch if we, in our discretion, have decided to consider or to no longer consider;

- Changes in the Strategies or Style Managers selected or your allocations among them;
- Changes in rates you may negotiate with Merrill Lynch.

c. Termination of Account(s)

If you or we terminate your Account we will refund to you a pro rata portion of the Program Fee based on the number of calendar days remaining in the month. The refund will be applied to your Account typically during the week following Account termination.

d. Certain Strategy Changes

If you make the following Strategy changes, the calculation of the Program Fees for the old Strategy and the new Strategy will be subject to the "Termination of Account(s)" and "Initial Program Fee" provisions, respectively, in the Calculation of Fees section above for the month during which the move occurs:

- Managed or Custom Managed Strategies to Personalized or Defined Strategies
- Defined Strategies or Personalized Strategies with Advisor Discretion to any other Strategy
- Personalized Strategies with Client Discretion to any other Strategy

3. Fee Deferred Assets and Excluded Assets

You will be charged the Program Fee on all assets in your Account, including cash, except those on which the Program Fee is deferred ("Fee Deferred Assets") or that are excluded from the Program Fee ("Excluded Assets"). Fee Deferred Assets include, but are not limited to, equity and fixed income securities sold in new-issue offerings.

The Program Fee does not apply to Fee Deferred Assets until one year after the Fee Deferred Asset was purchased in the Program. The Program Fee does not apply to Excluded Assets or certain investments designated by Merrill Lynch from time to time. Merrill Lynch reserves the right to designate assets as Fee Deferred or Excluded and to re-designate Fee Deferred or Excluded Asset as a Fee Covered Asset without notice to you. We will not be an investment adviser or a fiduciary with respect to Excluded Assets.

Any asset other than an Excluded Asset purchased, either outside of an Account and later transferred into an Account, or in a securities brokerage account which is later enrolled in the Program, will be subject to the Program Fee immediately upon such transfer or the enrollment of the account in the Program. This includes assets that would otherwise have been Fee Deferred had they been purchased in an Account enrolled in the Program. In either case, this means that you may pay an up-front commission or transaction charge (when the security was purchased outside of your Account or prior to enrolling your account in the Program) as well as the Program Fee once the Fee Deferred Asset is held in an Account enrolled in the Program.

In your Personalized Strategy with Client Discretion Account, you need to assess your own trading patterns to determine whether purchases and sales of Fee Deferred Assets should be effected in your Account where the Program Fee will apply after one year or in a brokerage account where you will pay commissions.

Commissions or other transaction-based compensation will apply to purchases and sales of Excluded Assets and Fee Deferred Assets. Generally, the Program Fee does not apply to Excluded Assets and Fee Deferred Assets as stated above and we receive sales-related or other fees, including ongoing fees, in connection with such assets. This

compensation may be more than the Program Fee that would have been charged had the Excluded Asset or Fee Deferred Asset been subject to the Program Fee.

Certain Alternative Investment Funds are available to eligible clients through a class or series of interests, units or shares or interests in a separate fund that has been structured specifically for clients subscribing to such Alternative Investment Funds ("AI Advisory Units"). AI Advisory Units are subject to the Program Fee. Your ability to purchase AI Advisory Units is subject to certain suitability and eligibility requirements.

4. Deduction of Program Fees From Your Account

You have agreed in the Client Agreement as follows:

- Unless otherwise agreed to between you and MLPF&S, the Program Fee (and any other fees payable under the Client Agreement) will be deducted directly from your Account. You may be able to pay the Program Fee from assets held outside of your Program Account. You should contact your Advisor for additional information;
- MLPF&S is authorized to deduct the Program Fee (and any other fees payable) from the assets held in your Account, to the extent permitted by law, if full payment of such fees has not been timely received or, if earlier, at the time the Account is terminated;
- The Program Fee and any other fees for your Account will be payable, unless otherwise indicated, first from the liquidation or withdrawal by MLPF&S of your shares of any money market funds or balances in any money market or bank deposit account(s), as you authorize in the Client Agreement or other document, and second from free credit or cash balances, if any, in your Account;
- You will make timely payment of all amounts due to MLPF&S under the Client Agreement, and any unpaid Program Fees may result in the termination of your Account(s);
- To the extent permitted by law, all assets in your Account or otherwise held by MLPF&S or its affiliates for you will be subject to a lien for the discharge of your obligation to make timely payment to MLPF&S of the Program Fee (and any other fees payable under the Client Agreement), and MLPF&S may sell assets in your Account to satisfy this lien; and
- If free credit or cash balances within the alternate account you have designated for your Program Fees to be deducted from are not available, the Program Fee will be moved to and deducted from your Program Account.

5. Services Covered by the Program Fee

The Program Fee covers our brokerage services, including clearance and settlement of transactions and custody of assets, as well as the investment advisory services, as described in this Brochure. In addition to these services, the Program Fee covers the following (where applicable):

- Annual underlying MLPF&S securities account fee for all Accounts;
- Electronic bill payment through MyMerrill;
- ATM fees imposed by Merrill Lynch (but not other institutions); and
- Secretarial/executive checks, stop payment orders, returned checks, returned deposits and canceled check requests.

Certain of these services are not available in all types of securities accounts, strategies and/or the jurisdiction in which you reside. Please speak with your Advisor about the availability of these services. The full amount of the Program Fee payable under the Agreement will be charged in accordance with the terms of such Agreement, regardless of your use of any of the services offered or of the amount of transactions you effected in your Account.

6. Other Fees and Expenses

The Program Fee does not cover:

- Transaction charges on trades effected through or with an Unaffiliated Investment Firm (including fixed-income or over-the-counter transactions in which we act as agent);
- Commission, markups or markdowns in connection with principal transactions effected for your Account;
- Applicable transaction charges on purchases and sales of Excluded Assets and Fee Deferred Assets;
- Transfer taxes;
- Margin interest;
- Fees charged by us or third parties that are not Affiliates in connection with short-sale transactions;
- Fund redemption and other fees as described in more detail below;
- Exchange or similar fees (such as for ADRs) charged by third parties, including issuers, and fees required by the SEC;
- Alternative trading system fees;
- Electronic fund, wire and other Account transfer fees; and
- Any other charges imposed by law or otherwise agreed to with regard to the Account.

When your Account invests in Funds that are included in your Program Fee, you generally will purchase shares that have no front-end sales load or contingent deferred sales charge, or for which such loads or charges are waived. In the case of Alternative Investment Funds, you may purchase AI Advisory Units, which are not subject to an upfront sales commission, if you meet applicable suitability and eligibility requirements. However, as a Fund investor, you will bear your proportionate share of such Fund's fees and expenses including, but not limited to, management fees and performance-based compensation paid to the Fund's investment managers or their affiliates, fees payable to the Fund's professional and other service providers, transaction costs and other operating costs (all of which may be material). An investor in a fund-of-funds vehicle will also bear a proportionate share of the fees and expenses of each underlying investment fund. The Program Fee does not cover or offset any of the fees and expenses of any Fund purchased for your Account, including commissions and other transaction-related charges incurred by the Fund, even if we effect these transactions for the Fund.

You will pay the public offering price on securities purchased from an underwriter or dealer involved in a distribution.

When we execute transactions in foreign ordinary securities outside the United States, 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 Program Fees payable under the Agreement.

7. Investments in AI Advisory Units.

For investments in AI Advisory Units, the Merrill Lynch Fee is generally calculated on the basis of estimated and unaudited net asset values provided by the investment managers of such Alternative Investment Funds. In most cases, Alternative Investment Funds provide estimated valuations only periodically, typically as of a month- or quarter-end. As a result, the portion of the Merrill Lynch Fee attributable to your investments in AI Advisory Units may be calculated using estimated net asset values provided for the prior period and, therefore, would be based on a valuation that does not reflect the current net asset value of your AI Advisory Units as of the date the Program Fee is actually calculated for your Account.

There also can be no assurance that the estimated net asset values provided by the investment managers of the Alternative Investment Funds and used to calculate the Program Fee are accurate. Merrill Lynch does not verify the valuations provided by the investment managers. Investment managers generally do not adjust estimated valuations retroactively; instead, they typically reflect any difference between the initial estimate and the final valuation in the following monthly or quarterly performance estimate. For more information about how net asset value is determined, please refer to the Offering Materials for the relevant Alternative Investment Fund.

Alternative Investment Funds generally impose material restrictions on your ability to redeem or otherwise dispose of your investment. If you are permitted to redeem your interest in an Alternative Investment Fund, the redemption proceeds generally will not be available to you for a substantial period of time (in certain cases, this could be a number of months) following the effective redemption date. You will pay the Program Fee on the value of your investment in an Alternative Investment Fund until the effective redemption date.

8. Excessive Trading

The Program is not designed for day trading or other extreme trading activity. If your trading is deemed excessive by us, we reserve the right to terminate the Account at our discretion.

9. Additional Information

The Merrill Lynch Fee will be applied to cash and cash equivalents held within your Account, including assets in your bank deposit programs and money market fund shares. The Program Fee is in addition to other compensation that MLPF&S and its affiliates will earn in connection with these assets. Although your cash will be swept into the cash sweep vehicle you choose in your underlying securities account agreement, you may experience negative performance on the cash portion of your Strategy if the applicable Program Fee charged on your cash is higher than the return you receive from your cash sweep vehicle.

Generally, all Account values used to determine the Program Fees described above are based on the market value of the assets in your Account, as determined by MLPF&S. However, if you maintain the assets in your Account with an Unrelated Custodian, MLPF&S will calculate the Program Fee based on information provided by the Unrelated Custodian, which may use a different method to value the securities in the Account than that described above. MLPF&S generally will calculate Program Fees based on the asset values in the statements we receive from such Unrelated Custodian.

For additional information regarding the billing methodology used for Accounts with an Unrelated Custodian (including, for example, circumstances relating to the addition of new Accounts or termination of Accounts), please speak with your Advisor. MLPF&S will not be responsible for verifying the accuracy of such information or any losses or errors by the Unrelated Custodian in your Account.

Ability to Obtain the Program Services Separately

You may be able to obtain some or all of the types of Services described herein from us without participating in the Program.

If you were to do so, your total cost may be lower or higher than the Program Fee. You may also be able to obtain the same or similar Services or types of investments through more than one Strategy in the Program. You may also be able to obtain some or all of these types of services from other firms, and if they are available, the fees associated with them may be higher or lower than the fees we charge.

You should discuss the Services and Strategies we make available with your Advisor to determine which may be most appropriate for you. More broadly, when you compare the Strategies, account types and programs and their relative costs, you should consider various factors, including, but not limited to:

- Your preference for an investment 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 vehicles and solutions that are available in each Strategy, Merrill Lynch program or service;
- Whether a particular investment solution offered in one Strategy or service is available through another Strategy or Merrill Lynch program or service at a different cost;
- 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 Strategies or 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 the Program.

You should also understand that the Program will not become available to all existing Merrill Lynch clients at the same time. Merrill Lynch plans to offer the Program to clients and prospective clients with select Advisors in 2013 and then to all Advisors in distinct geographic markets thereafter. After the Program is introduced in a market, certain existing Merrill Lynch investment advisory programs (Merrill Lynch Consults, Merrill Lynch Mutual Fund Advisor, Merrill Lynch Personal Advisor, Merrill Lynch Unified Managed Account, and Personal Investment Advisory, collectively known as "Legacy Programs") will be closed to new accounts. However, it is anticipated that existing clients in Legacy Programs will be able to remain enrolled until such time, in our discretion, that those Legacy Programs are closed.

If you are a client in a Legacy Program you should carefully consider if and when you will enroll in the Program once the Program becomes available to you. While the Program and the Legacy Programs have certain similar features, there are important differences that should be discussed with your Advisor. For example, none of the Legacy Programs offers clients the ability to group accounts with a common goal and different Strategies in a Portfolio. Likewise, none of the Legacy Programs have the same fee schedule as the Program. Some existing clients may find that the Program fee schedule will result in a reduced advisory fee, while others may find that their advisory fee will increase. Fee rates that you negotiated with your Advisor in the Legacy Programs will not automatically be applied to any Account that you enroll in the Program, and it is important that, in addition to the factors listed above, you discuss with your Advisor how enrollment in the Program will affect these fees and the Services that will be available to you.

Funding and Operation of Accounts

1. Opening a Program Account

With the Client Agreement, you can open or enroll into the Program an Account and any subsequent Accounts in the same capacity with verbal, electronic or written instructions. You may need to sign a separate Client Agreement if you want to open an Account in any other capacity. Examples of different capacities include an individual capacity, a trustee of a trust, a personal representative or executor of an estate, a guardian for a minor, a business entity (e.g., corporation, partnership), a non-IRA retirement plan and an endowment.

The effective date of the Client Agreement for each of your Accounts will be the date of its acceptance by us. The effective date for each Account will be set forth in the Portfolio Summary.

2. Funding Your Account

You may fund your Account by depositing cash and/or securities acceptable to us. The discussion in this section applies to both initial and any subsequent contributions.

If we determine any contributed investments are not eligible or unacceptable for the applicable Service, you authorize and direct us to sell those investments as promptly as practicable. We will not act as a fiduciary or an investment adviser in connection with these transactions, but we are entitled to charge a commission for the sale of these investments. We may also execute a principal trade for the sale and may retain the compensation from the transaction to the extent permitted by law.

Depending on the type of investment involved, the sale of these securities may cause you to incur taxable gains or losses or to pay applicable fees or charges. You are responsible for all tax liabilities arising from the sale of these securities and should review the potential tax consequences of these liquidations with your tax advisor before funding an Account.

As part of the Client Agreement, you instruct us to open and transfer ineligible or unacceptable investments to a similar type of Merrill Lynch securities (brokerage) account when:

- We are unable to sell the investment;
- The liquidation of Fund shares would incur a deferred sales charge; or
- You specifically direct us, in writing, not to liquidate the investment.

In this case, the Client Agreement and related documentation for your existing Merrill Lynch securities (brokerage) account will apply with full force and effect to your new account.

You should consider all relevant factors before contributing Fund shares to the Program, including the fact that you may have paid a front-end sales charge and any applicable contingent deferred sales charges or redemption fees will remain your responsibility and will be in addition to the Program Fees.

If you are contributing or holding mutual fund shares in your Account, you should consider the following information. Certain mutual funds may offer only one class of shares, while other mutual funds may offer multiple share classes which are available for investment based upon certain eligibility and/or purchase requirements. You should refer to the additional client disclosure pamphlet entitled "Mutual Fund Investing at Merrill Lynch" for additional information on mutual fund share classes. Classes of shares eligible for the Program will be subject to the Program Fee. Mutual funds often permit the conversion of shares from one class to another, subject to certain conditions as determined by the mutual fund. If you contribute or hold mutual fund shares that we deem to be ineligible

for the Program, such shares will be converted into a class of shares of the same mutual fund we deem to be eligible, and will be subject to the Program Fee; depending on your circumstances, you could be subject to higher expenses overall once the shares convert to a class we deem to be eligible. We may not elect to convert particular share classes of a mutual fund if, for example, there is no equivalent class eligible for the Program in other circumstances as we may determine. Prior to contributing any mutual fund shares to your Account, you should discuss the impact of a conversion of these shares with your Advisor. If you do not want your mutual fund shares converted, you should discuss transferring such holdings to another account with your Advisor.

3. Withdrawals and Contributions of Assets

In connection with withdrawal requests:

- You must notify us at least five business days prior to withdrawing funds or securities from Managed and Custom Managed Strategy Accounts;
- For Managed and Custom Managed Strategies, funds must be withdrawn from the Account by you as soon as practicable after settlement date, and if the requested funds are not withdrawn from the Account within fifteen (15) days after settlement, the funds may be subject to reinvestment without notification to you by us;
- We reserve the right to terminate any Managed or Custom Managed Strategy Account that falls below the required minimum asset size as reflected in the applicable Profile;
- We or Style Managers require time to make decisions regarding the securities to liquidate to accommodate the withdrawal request;
- For certain Strategies and/or securities, such as foreign ordinary securities, convertibles, fixed income, and/or securities that trade on a when-issued basis or as odd-lots, it may take longer than five business days before you can access your requested funds;
- Program Fees paid by you may increase and taxable gains and losses may be realized as a result of your withdrawal instructions;
- Frequent withdrawals from your Account may affect the achievement of investment objectives for the applicable Portfolio or Strategy you selected; and
- In certain circumstances, you may not be permitted to redeem all or a portion of your investment in an Alternative Investment Fund at the time of your choosing and may be required to hold such investments indefinitely. If you are permitted to redeem your interest in an Alternative Investment Fund, all or a portion of your redemption proceeds may not be available to you for a substantial period of time (which in certain cases could be a number of months) following the effective redemption date. You will continue to pay the Program Fee with respect to the value of any AI Advisory Units held through your Account until the effective redemption date.

Contributions of funds and securities to your Accounts do not require advance notice, except as specifically provided in the section titled Custodial Arrangements. There may be a delay between the date that funds or securities are contributed to a Managed or Custom Managed Strategy and the date that MAA invests such funds (or potential liquidation of additions of Securities occurs) in accordance with the applicable Profile Strategy. We will not be liable for any lost opportunity profits that may result from a delay in investing any contributed funds or securities.

Depending upon the Strategy you choose, you may not be able to use Visa® cards or write checks on an Account while it is enrolled in the Program.

4. Client's Selection Changes or Additions

You may change or add a Service (including Strategies) or Portfolio, subject to approval by us, by contacting your Advisor. We will implement any approved change or addition to the Portfolio or Strategy that you select as soon as reasonably possible.

5. Closing an Account and/or Terminating the Client Agreement

The Client Agreement may be terminated at any time by either us or you, with verbal or in written notice to the other parties.

The termination of the Client Agreement will terminate all Accounts. You may also terminate any Accounts subject to the Client Agreement by giving us notice of such termination. Upon termination of an Account or the Client Agreement, a pro rata adjustment to the Program Fees for the remainder of the billing period will be made, which may result in a refund of your Program Fees. Your termination of a particular Account will not automatically terminate any of your other Accounts. Upon termination of a particular Account or the Client Agreement, you (or the legal representative of your estate) will have the sole responsibility for the investment of assets in your Account(s).

Notwithstanding your instructions to the contrary, certain Funds and other securities held in your Account will be automatically liquidated or redeemed, as described in the applicable offering materials upon termination of an Account that holds such Funds and other securities or the Client Agreement. Such liquidation or redemption will generally be effected by the close of the next business day following termination, although for certain securities, such as those traded on a when-issued basis or as odd-lots, the liquidation or redemption process may take longer.

The termination of your Advisor's employment with Merrill Lynch will not automatically terminate the Client Agreement. In the event that your Advisor is no longer able to service your Account, we may transfer that Account to a different Advisor and you will be notified of any such changes.

6. Investment of Cash Balances

Cash balances and funds pending investment in each of your Accounts will automatically be invested or "swept," in accordance with the cash sweep option that you selected in the underlying Merrill Lynch securities account agreement relating to your Account(s). Depending upon the type of securities account that you establish, cash balances will be swept to one or more banks related to us, Related or Unrelated Money Market Funds, or to another available cash option. With certain account types, a sweep option is not available and you will not be invested in one of the above sweep options.

Your Advisor can help you identify the sweep investment or other cash options, if any, available to you, but neither we, nor your 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 unrelated custodians will not be subject to these sweep arrangements. Unless otherwise agreed, your Account will be credited with any dividends, interest and principal paid on cash balances held in your Account.

Cash balances held in a money market fund are subject to the Fund's management, distribution, transfer agent, and other expenses. See "Funds and Related Investing" for more information. These fees and expenses are in addition to, and will not reduce your Program Fees, except as required by law.

If cash balances are deposited in a bank deposit account pursuant to the Merrill Lynch Bank Deposit Program, Insured Savings Account Program or Retirement Assets Savings Program:

- Cash will be placed in an account bearing a reasonable rate of interest and the participating depository institution will benefit from its use of the deposits, and we or our Affiliates will receive compensation from the participating depository institution, including any Merrill Lynch Bank. This compensation will be in addition to, and will not reduce, your Program Fee, except as required by law.
- The applicable terms are described in the disclosures that the client received in connection with the underlying MLPF&S securities account for the client's account, and are also available from your Advisor.
- The availability to you of any of these different options will depend on your underlying securities brokerage account type, as well as whether the particular option you have selected in connection with your securities brokerage account is available in the Program.

At times, each of your Strategies may have different cash allocations based on the investment solutions used in the Strategy or current market conditions. In certain circumstances, including periods of volatile or uncertain market conditions, for defensive purposes and for other cash management purposes, such cash allocations may comprise all or a substantial portion of your assets invested in a particular Strategy. You will be charged a Program Fee on all cash balances maintained in the Program.

Risk and Tax Disclosure

1. General Risks of Investing Through the Program

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

We make no representations or warranties with respect to the present or future level of risk or volatility in your Portfolios, Strategies, or any Style Manager Strategy's, Fund's, or investment's future performance or activities. You are assuming the risks involved with investing in securities and other investment products, and you could lose all or a portion of the amount held in the Program. As required by law, you will be sent a copy of the prospectus or disclosure document for certain assets purchased for your Strategies, and you should read such documents.

Any target asset allocations (including your Portfolio Target Asset Allocation) or benchmarks, as applicable, referred to in connection with your Strategy or Portfolio are not intended to be an assurance or guarantee of the performance of any investments in or of the Strategy or Portfolio. There is no assurance that the performance results of any benchmark or index used in connection with a Strategy, including those shown in a Profile can be attained. Market movements and other factors may result in significant differences between the performance of your Strategies and any Investment Objectives set forth for your Strategy or Portfolio. Investments made, and the actions taken, for your Program assets will be subject to various market, liquidity, currency, economic and political risks, and will not necessarily be profitable.

In addition, you may impose guidelines or 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. We may determine not to accept such guidelines and/or restrictions.

2. Loans and Collateral

Your Account assets may be “pledged” or used as collateral, if we consent, in connection with loans obtained through certain unaffiliated or affiliated loan programs, such as, but not limited to, the securities based lending Loan Management Account® (“LMA”) and Mortgage 100®/Parent Power® mortgage programs (collectively referred to as “Lending Programs”). Under such Lending Programs, you may receive loan proceeds as a result of an arrangement whereby your Account is pledged to a lender, and in certain circumstances, the lender may be an Affiliate. If you have elected to participate in a Lending Program, the terms and conditions applicable to that Lending Program are governed by the applicable loan documents and other service agreements and are not included or described further herein. You should review carefully the terms, conditions and any related risk disclosures for such Lending Program and understand that such risks may be heightened in the event you hold a concentrated position in your pledged Account or if your pledged Account makes up all, or substantially all, of your overall net worth or investible assets. A collateral call could disrupt the management of your Account. You, your Advisor, MAA, or (if applicable) your Discretionary Manager may not be (1) provided with prior notice of a liquidation of the securities in your pledged Account, or (2) be entitled to choose the securities which are to be liquidated by the lender. The costs associated with such a lending arrangement under a Lending Program are not included in the Program Fees and may result in additional compensation to us, our Affiliate and your Advisor. You are encouraged to speak with your Advisor to the extent you have questions about how your Account may be used in connection with a Lending Program and how such arrangement should be taken into consideration when discussing the management of your Account.

3. Writing Uncovered Options and Short Selling

You may write uncovered options in a Personalized Strategy with a Client Discretion Account only in circumstances we approve. To engage in options transactions, you must execute an option account agreement. If you write uncovered options, you assume additional risk, including:

- You will be exposed to potentially significant losses;
- For a call option, if the value of the underlying instrument increases above the exercise price, you can incur large and unlimited losses until the option expires or other option contract remedies are pursued;
- For a put option, you bear the risk of loss if the value of the underlying instrument declines below the exercise price;
- If you write combination or straddle options (where a put and a call option are written on the same underlying instrument), the potential risk of loss is unlimited;
- If a secondary market in options were to become unavailable, you could not engage in a closing transaction and you would remain obligated until expiration or assignment; and
- If you do not meet the margin payment requirements described in your option account agreement, we may liquidate stock or options positions in your Account, with little or no prior notice to you.

You may sell stock short in your Personalized Strategy with Client Discretion Account. Selling stock short raises similar risks as those described above regarding writing uncovered (call) options, and you will assume similar risks of loss. We reserve the right to not approve any Account to engage in uncovered options transactions or short sales.

You assume full responsibility for writing uncovered options and selling stock short, including the possibility of incurring unlimited losses, and may discontinue writing options and short selling at any time.

4. Alternative Investments and Alternative Investment Funds

If you want to consider alternative investments, such as non-traditional mutual funds (“NTFs”) or Alternative Investment Funds as part of a diversified portfolio, careful consideration should be given to the associated risks of these investments. For instance, NTFs are mutual funds and exchange-traded funds that are classified as alternative investments by us because their principal investment strategies utilize alternative investment strategies or provide for alternative asset exposure as the means to meet their investment objectives. Though the portfolio holdings of NTFs are generally made up of stocks and bonds, NTFs may also hold other asset classes and may use short selling, leverage and derivatives as principal investment strategies. While the strategies employed by NTFs are often used by Alternative Investment Funds and other alternative investment vehicles, unlike most Alternative Investment Funds, NTFs are registered with the SEC and thus subject to a more structured regulatory regime and offer lower initial and subsequent investment minimums, along with daily pricing and liquidity. While NTFs can offer diversification within a relatively liquid and accessible structure, it is essential to understand that because of this structure, NTFs may not have the same type of non-market returns as other investments classified as alternative investments (such as Alternative Investment Funds). The risk characteristics of NTFs can be similar to those generally associated with traditional alternative investment products (such as Alternative Investment Funds) and which are further described in the prospectus of each NTF.

Alternative Investment Funds, in general, are speculative and illiquid investments that are subject to a high degree of risk. You may be permitted to invest in certain Alternative Investment Funds through your Personalized Strategy with Client Discretion Account if you meet applicable eligibility and suitability requirements and in circumstances approved by us. Only pre-qualified clients may receive an Alternative Investment Fund’s confidential Offering Materials. However, pre-qualification does not imply that investing in one or more Alternative Investment Funds is suitable for you or that an Alternative Investment Fund will accept your subscription. Alternative Investment Funds may be a suitable investment, if at all, only for financially sophisticated investors capable of evaluating the merits and risks of such an investment and whose aggregate investments in Alternative Investment Funds do not represent more than a limited portion of their overall portfolio.

The offering of AI Advisory Units is only available to certain clients (for instance, U.S. resident non-retirement clients) with a Personalized Strategy with Client Discretion. We may, in our discretion, expand the offering of AI Advisory Units to include additional types of clients and Strategies in the future.

Each Alternative Investment Fund’s Offering Materials contain confidential material information relevant to making a decision to subscribe to the Fund including, but not limited to, the Fund’s investment strategy, liquidity terms, fees and expenses, risks and conflicts of interest, as well as other important matters relating to the Fund, its investment manager and their operations. You should read these documents carefully in determining whether an investment in the Fund is suitable for you in light of, among other things, your financial situation, need for liquidity, tax situation and other investments.

Our affiliates may share in a portion of the management and/or performance fees paid by an Alternative Investment Fund to its managers or an affiliate thereof. These relationships and the amount of such fee sharing varies, and could give rise to a conflict of interest in determining which Alternative Investment Funds to make available to our clients and recommending investments in certain Alternative Investment Funds over others.

5. Funds and Related Investing

The Strategies you select may invest in shares of, or interests in, Funds, including Related Funds. As a Fund shareholder, you, along with other shareholders of the Fund, will bear a proportionate share of the Fund's expenses, including, as permitted by applicable law, certain management and other fees which may be payable to us, a Related Company, the Style Manager or their respective Affiliates. The Fund's prospectus or other disclosure document contains a description of its fees and expenses. Not all Fund fees and expenses are applicable to every Strategy offered. For example, a Fund redemption fee may apply to a Personalized Strategy or Defined Strategy, but not to a Managed Strategy or Custom Managed Strategy. Additionally, any fees payable to a Style Manager may be reduced by the amount of your proportionate share of any expenses or fees of relevant Style Manager Related Funds or such other amount as indicated in the applicable Profile. If you invest in a Fund, unless fees and expenses borne by the Fund are credited against the Program Fees, you will indirectly pay, through the Fund's net asset value, a proportionate share of the Fund's costs for services that may be similar to, or duplicative of, services rendered as part of the Program and paid for directly through the Program Fees.

To the extent that you hold Funds in the Program, the fees and expenses incurred by any Fund purchased for you through the Program may be in addition to certain of the expenses covered by the Program Fee. Among other services provided, we or our Related Companies may effect transactions for any of these Funds, and any compensation paid to us or our Related Companies by the Funds, or their affiliates, is in addition to the Program Fee. Due to the additional economic benefit to us or our Related Companies when assets in your Account are invested in a Fund, a conflict of interest exists. For more information about other compensation MLPF&S or its Related Companies may receive in connection with the Program and from Style Managers participating in the Program, see the section entitled Other Compensation and Conflicts of Interest Considerations.

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

6. Margin and Long/Short Strategies

Margin and other types of securities-based lending are offered as part of the brokerage services available to certain account types and clients who are resident in certain jurisdictions. If you wish to access these features for your Program Account(s), we may extend credit to you by making margin available to you, subject to applicable regulatory limits and any other requirements imposed by us. As disclosed in your securities account agreement with MLPF&S, if you use margin to purchase securities, our collateral for the margin debit will be the assets in your Program Account and other accounts at Merrill Lynch. If the securities in a margin account decline in value, the value of the collateral supporting the margin debit also declines, and as a result we can take actions, such as issue a margin call or sell securities or other assets maintained at Merrill Lynch, in order to maintain the required equity in the account. Overall, margin increases the risk of losses in declining markets that negatively affect the value of securities bought on margin. You assume full responsibility for using margin to buy securities and may discontinue the use of margin at any time. If you invest using margin, you assume additional risk, including:

- Your losses may exceed the amount you have in your Account;
- We can force the sale of securities or other assets in your Account(s) and other accounts you have at Merrill Lynch;
- We can sell your securities and other assets without contacting you;
- You are not entitled to choose which securities or other assets in your Account(s) are to be liquidated or sold to meet margin calls;
- We can increase our "house" maintenance margin requirements at any time and we are not required to provide you with advance written notice;
- You are not entitled to an extension of time on a margin call; and
- If a margin call cannot be fully satisfied from assets in your Account or other assets at Merrill Lynch, you will remain liable for the outstanding debt.

The costs, risks and other features and conditions of margin and other types of securities-based lending are more fully described in the Merrill Lynch Margin Lending Program Client Agreement that you must execute before you may use margin. You should read this document carefully prior to using margin or other types of securities-based lending through your Account.

7. Tax Matters

You are responsible for all tax liabilities arising from the transactions in Program. You are responsible for all tax liabilities arising from all these transactions in your account. In addition, if you are not a resident of the United States, you will assume the adverse tax consequences and other risks involved in investing in U.S. securities. Furthermore, any ordinary income dividends, including distributions of short-term capital gain, paid by Registered Funds will be subject to a United States withholding tax under existing provisions of the Internal Revenue Service Code applicable to foreign individuals and entities, unless a withholding exemption is provided under applicable treaty law.

We do not, and will not, offer tax advice to you and we strongly encourage you to seek the advice of a qualified tax professional. You should also understand that 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.

Rebalancing, liquidations, redemptions, and other Portfolio changes may cause you to incur taxable gains or losses (or pay Fund redemption fees or other charges), payment of which will be solely your responsibility.

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 any time;
- Account performance may be adversely affected and may increase the volatility of its results;
- If we are directed to realize gains in your Accounts, we will resume normal trading activity, which could generate new taxable losses or gains, and the same or similar securities may be repurchased; and
- If we are directed to realize losses in your Accounts, (i) we will resume normal trading activity, which could generate new taxable losses or gains, (ii) securities sold for a loss will be restricted from being purchased for a minimum of thirty-one (31) calendar days, consistent with Internal Revenue Service Wash Sale rules; (iii) securities currently at a loss may not be sold in the Account if a purchase of a similar security occurred within 30 days before the sale, (iv) a higher than normal cash position

may result for a period of time, and (v) we may, at our discretion engage in strategies to invest the available proceeds for varying time periods in substitute securities, current holdings, and/or alternative securities such as ETFs.

Compensation

We or our Related Companies and their Affiliates and employees benefit from the fees and charges paid by you and other clients for the Services described in this Brochure. Clients participating in the Program may also use other products or services available from or through Merrill Lynch and its Affiliates and, in such case, pay additional compensation. Advisors offering these services and providing on-going assistance to such clients generally receive compensation from MLPF&S.

Advisors who introduce clients to the Program and provide on-going services to such clients receive compensation from us. The amount of this compensation is based upon, and will vary depending on, the Merrill Lynch Fee, which could vary depending on the concentration of your aggregate assets in certain Strategies or asset compositions, such as Accounts consisting substantially of fixed income securities or fixed income strategies. Your Advisor's compensation will not be based on the Style Manager Expense, if applicable, that you pay.

The amount of compensation your Advisor may receive from your enrollment in the Program may also be more or less than the compensation that the Advisor might receive if you had instead participated in other investment advisory programs offered by MLPF&S or its Affiliates or had purchased the services provided through the Program separately. If there is a difference in compensation, the Advisor may have a financial incentive to recommend you select certain Strategies in this Program or this Program over other programs or other services offered by us (or our Affiliates).

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

Account Requirements and Types of Clients

Client and Advisor Eligibility

Investors generally eligible to participate in the Program include individuals, trusts, estates, charitable organizations, banks, insurance companies, thrift institutions, pension and profit sharing plans, corporations and virtually all other types of business and governmental entities as defined by us. Not all types of investors are eligible for each Strategy.

Not all Advisors may offer all Strategies available in the Program. If your Advisor is not able to offer a particular Strategy, you may be able to access such Strategy through another Advisor. You should discuss the Strategies that can be made available to you with your Advisor.

Program Minimums

There is generally no minimum asset requirement to participate in the Program; however, certain Managed Strategies and Style Manager Strategies may require minimum investment amounts. Minimum investment requirements for Managed Strategies and Style Manager Strategies are provided on the applicable Profile.

Retirement Accounts

For a Retirement Account holding shares of a mutual fund, the subaccounting service or distribution fees received by us or our Affiliate from the mutual fund or a fund service provider or its Affiliate, will be credited to the Retirement Account on a periodic basis.

If a Retirement Account invests in a Related Fund or with a Related Style Manager, then any advisory fee incurred in connection with the investment in a Related Fund, or any Style Manager Expense incurred in connection with the investment with a Related Style Manager, will be credited to the Retirement Account on a periodic basis. Furthermore, if cash balances in a Retirement Account are swept to one or more Related Money Market Funds, then any advisory fees paid by each Related Money Market Fund to its adviser will be credited to the Retirement Account on a periodic basis.

Retirement Account clients (i) acknowledge receipt of the prospectus or other required disclosure document, and agree to acknowledge receipt of such documents in the future, if applicable, for any Style Manager Related Fund included in a Strategy selected by the client and for any Related Fund, (ii) represent that the client is independent of, and unrelated to, Merrill Lynch, the Style Manager and their Affiliates, and (iii) approve the investment management and other fees paid by any Style Manager Related Fund and by any Related Fund held in your Retirement Account in relation to the Account fees payable pursuant to the Client Agreement.

You may revoke or modify the approval reflected in the prior sentence at any time by notifying your Advisor. Such notice should include instructions regarding the disposition of the proceeds of the sale of shares of any Style Manager Related Fund and any Related Fund then held in the Retirement Account.

Portfolio Manager Selection and Evaluation

Managed and Custom Managed Strategies – Review, Selection and Strategy Construction

Through our Managed and Custom Managed Strategies, we seek to make available various investment styles and corresponding risk levels. As a general matter, we identify the rationale for a particular investment management style based on a variety of factors, including client needs, investment styles available in the marketplace, platform capacity, and client demand.

1. Initial Review and Selection of Style Manager and Funds.

Once we identify a need for a particular investment management style, we use a multi-factor process to review and select suitable Style Manager Strategies and Funds to meet this need. These factors may include, but are not limited to:

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

Based on these factors and using the information we collected, we may use both quantitative and qualitative analytical methods to review and select Style Manager Strategies and Funds, wherein some of the analytical methods may be subjective. We may assign different weightings to each of the factors considered and generally no single factor will be determinative in whether a particular Style Manager or Fund is offered in Managed or Custom Managed Strategies. Further, we may replace one or more factors with a different factor that we reasonably believe is suitable and appropriate.

A Candidate Style Manager or Fund deemed appropriate will be made available for selection by you in Managed Strategy or Custom Managed Strategy.

2. Periodic Review of Style Managers and Funds.

For each Style Manager Strategy and Fund in a Managed or Custom Managed Strategy, we will:

- Periodically, but no less frequently than annually, evaluate factors that may include, but are not limited to, those included in the Initial Review and Selection of Style Manager and Funds above; and
- As needed, upon notice of a material change, review the impact of any such changes on a Style Manager Strategy or Fund (including the investment advisers managing Fund assets).

If we identify material concerns relating to a Style Manager Strategy or Fund as a result of either our periodic evaluation or a material change, we may conduct additional qualitative and subjective reviews to determine whether the Style Manager Strategies or Funds offered in Managed or Custom Managed Strategies continue to be appropriate.

We may also, in our discretion, conduct additional or more frequent reviews of select Style Managers and Funds that we believe warrant such review. We may decide to conduct additional reviews based on, for example, the level of assets of the Style Manager or Fund in client accounts at Merrill Lynch or an Affiliate, the number or percentage of Merrill Lynch or an Affiliate clients in the Style Manager's strategy or Fund, the asset class involved, or whether the Style Manager or Fund is utilized in a Managed Strategy. Investment strategies, managers and funds made available through certain Affiliate programs or services will be subject to these additional reviews.

With respect to these select Style Manager Strategies and Funds; we may periodically evaluate certain additional qualitative and subjective factors. These reviews may be accomplished through various means, including, but not limited to, in-person visits, telephone conference calls, reviews of performance, and updates of certain Style Manager or Fund documents and information. We may also conduct periodic analysis of composite

performance to determine whether that performance generally appears to be consistent with that of Managed and Custom Managed Strategies. We do not perform audits of Style Managers or Funds to verify past performance information that the Style Managers or Funds provide to us.

We may also, from time to time, make available additional guidance to Advisors through regular or ad hoc internal publications, and may include (i) information that reflects our internal opinions and views with respect to a Style Manager Strategy or Fund, (ii) notices of a particular event that may lead to these being closed to new investments or terminated from a Managed or Custom Managed Strategy, or (iii) other information. This additional information may be used by your Advisor in considering whether a particular Style Manager Strategy or Fund is suitable for investment in your Managed or Custom managed Strategy. Your Advisor will not be provided such additional information with respect to all Style Manager Strategies and Funds and your Advisor may decide not to utilize or follow this additional guidance and may make independent recommendations with respect to Style Manager Strategies and Funds. You should discuss with your Advisor any questions you may have about our views with respect to a particular Style Manager Strategy or Fund.

Status Change or Termination of Style Manager Strategies and Funds.

If, as a result of our review, we identify material concerns regarding a Style Manager Strategy or Fund, we may choose not to accept any new investments in a Style Manager Strategy or Fund. At times, the style of management of a particular Style Manager Strategy or Fund may vary or drift from the stated style. We may allow a Style Manager Strategy or Fund's to vary investment styles without removing the strategy or style from the program if we determine that the changes to the style are reasonable in view of the circumstances.

Our review of Style Manager Strategies or Funds does not substitute for your ongoing monitoring of your Account and the performance of your investments.

3. Strategy Construction

For Managed Strategies, Merrill Lynch, a Merrill Lynch Affiliate or a third-party may construct the strategy, and typically select the Style Manager Strategies and/or Funds and the allocations or allocation ranges for each strategy. Managed Strategies are generally organized according to a shared characteristic, such as asset class or investment style and are designed to seek consistency with a particular investment objective. Please refer to your Profile for additional information.

For Custom Managed Strategies, your Advisor is responsible for constructing the Strategy. Please see the section entitled "Strategies – Managed Strategies and Custom Managed Strategies."

4. Profiles and Other Information

You will generally be provided with a Profile for each Managed and Custom Managed Strategy made available to you through the Program. You should carefully read the Profiles provided and understand the relevant objectives, styles and risks. While the Profile provides general information, any past performance shown on the Profile is not indicative of future results and the performance of that portion of your assets invested pursuant to a particular Style Manager Strategy may differ from the information presented in the Profile. The Profile will also describe the role of MAA and, if applicable, the Style Manager in implementing each Style Manager Strategy, and any related Account requirements with respect to the Managed or Custom Managed Strategy. If your Managed or Custom Managed Strategy includes Funds, we will also send to you the applicable prospectus and/or disclosure documents, as required by law. The disclosure documents will describe the relevant objectives, styles and risks of the Fund.

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

It is the obligation of each Style Manager to establish and maintain each Style Manager Strategy in the manner generally described in the then-current Profile. In the case of Style Managers that are not Discretionary Managers, this means that they are obligated to provide us on a timely basis notice as to whether any changes have been made to the Style Manager Strategy and the proper application of a buy, sell or hold decision for each such change. MAA will implement the recommendations for that Style Manager Strategy on a timely basis, subject to reasonable investment restrictions or other factors. It is similarly the obligation of each Discretionary Manager who has full discretion to place orders for all transactions to manage your Account assets allocated to such Style Manager Strategy in the manner generally described in the then-current Profile, subject to reasonable investment restrictions or other appropriate factors.

We cannot guarantee the accuracy or consistency of the information contained in the Profiles. However, each Style Manager is required, upon our request, to review the Profile and to confirm to us following each such review that all of the information reviewed continues to be accurate and complete. Furthermore, the methodology used by each Style Manager to select and aggregate accounts for performance reporting purposes (i.e., the development of the Style Manager Strategy composite), as well as the calculation of performance results provided by each Style Manager for its composite, may not have been created or calculated on a uniform or consistent basis from investment adviser to investment adviser.

No claim is made that the performance information contained in the Profiles has been calculated according to any industry standards. Performance information relating to non-Program accounts may also include data pertaining to types of accounts such as mutual funds and tax-exempt or institutional accounts, that are different from Program Accounts, and may include model results or results of portions of multiple style accounts (such as the equity results of a balanced, equity/fixed income style), which are generally described as hypothetical performance.

The performance information included in a Profile can be based on the Style Manager implementing its investment decisions directly. For Style Manager Strategies not managed by a Discretionary Manager, the investment decisions will generally be implemented by MAA based on investment recommendations from Style Managers through model portfolios. MAA's implementation of investment advice from Style Managers could result in performance that is materially different from the results that the Style Manager would achieve if it managed your Account directly. Account performance also may differ from the prior results for a variety of other reasons, including:

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

Accordingly, MAA cannot assure that the performance of actual Accounts will be similar to the Style Manager's past performance. However, after considering, among other factors, information and representations

provided by the Style Manager, MAA believes that the Style Manager's past performance is reasonably representative of the investment style as it will be implemented in the Program by MAA and is sufficiently relevant for consideration by a potential or existing client.

The performance information included in a Profile is accompanied by important disclosures about the types of accounts included as well as other relevant topics. You should carefully consider all of this information when deciding whether to select the particular Style Manager Strategy. Profiles are updated at least annually and are typically updated quarterly to include performance information as of the most recent quarter-end. You are encouraged to ask your Advisor for the most current Profiles of your selected Style Manager Strategies. You should read carefully the Profile, prospectus and/or disclosure documents and discuss any questions you may have with your Advisor.

Related Person and Other Investment Managers – Selection and Review

Style Manager Strategies for which Merrill Lynch acts as the Style Manager, Related Style Managers, Related Funds, and Managed Strategies constructed and implemented by us, while not subject to the same review process as described above, may also be made available for selection by you in Managed Strategies and Custom Managed Strategies as we deem appropriate and will be subject to internal governance processes and any applicable legal restrictions. In addition, certain Style Manager Strategies and Managed Strategies provided by other Style Managers will also not be subject to the same review process as described above and as further described in the Profile(s).

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

The use of Related Style Managers and Related Funds in your Account in certain cases will result in more overall compensation to us and our affiliates than if third-party managers and funds were used. MLPF&S and MAA address these conflicts by disclosing them in this Brochure.

From time to time, we may enter into agreements with one or more Style Managers pursuant to which we distribute certain products and services sponsored or advised by the Style Manager. Some of these agreements include arrangements with Style Managers who are former Related Companies such as BlackRock and Columbia Management. An executive officer of Merrill Lynch serves on the board of directors of BlackRock.

Consistent with applicable laws, management and employees of BlackRock and Bank of America Affiliates may be provided a broader level of access and exposure to Merrill Lynch, our management, Advisors and other personnel, marketing events and materials, and client-related and

other information. Such access and exposure may not be available to other asset managers and may enhance the ability of BlackRock and Bank of America Affiliates to distribute their funds and other investment products through us.

In addition, other Bank of America Affiliates or divisions, such as U.S. Trust, Private Wealth Management, may offer their own managed products or wrap programs that may be similar to this or other Merrill Lynch programs. In particular, we may also provide advice and/or recommendations to these different affiliates or divisions, including advice related to the recommendation of certain investment managers. Importantly, the advice and recommendations provided to Merrill Lynch may be different from or conflict with the advice and recommendations provided to other Affiliates or other programs. This is due to, among other things, the differing nature of the affiliate's investment advisory service and differing processes and criteria upon which determinations are made. For example, IMG may recommend a specific investment manager for inclusion in a U.S. Trust program, but not a Merrill Lynch program.

Defined and Personalized Strategies Review, Selection and Construction

We have established various investment committees, each of which is responsible for reviewing one or more categories of products and securities. The responsible committee(s) will determine whether a specific product or security can be offered by an Advisor in either a Defined or Personalized Strategy. We generally do not limit the Funds or securities available in either Defined or Personalized Strategies to those that are available in Managed and Custom Managed Strategies. With certain exceptions, the securities and Funds available in Defined and Personalized Strategies are generally the same securities and Funds available for your purchase in our brokerage accounts. Your Advisor's view of the Funds and securities will determine those recommended to you or purchase for your Defined or Personalized Strategy.

The performance of any Defined or Personalized Strategy will be based primarily upon your Advisor's ability to develop and implement such Defined or Personalized Strategy. Before choosing a Defined or Personalized Strategy, you should perform your own assessment of the Advisor's ability to manage the Defined or Personalized Strategy. There may be Style Manager Strategies available to you in Managed and Custom Managed Strategies that are similar to a Defined Strategy offered by your Advisor.

Your Advisor may have available to them a profile for the Defined Strategies they offer ("Defined Strategy Profile").

While the Defined Strategy Profile provides general information, any past performance shown on the Defined Strategy Profile is not indicative of future results and the performance of that portion of your assets invested pursuant to a particular Defined Strategy may differ from the information presented in the Defined Strategy Profile. Your Advisor may decide, in their discretion, to manage the assets in a Defined Strategy in a manner that is different from the description provided in the Defined Strategy Profile without your consent. You will be notified of any changes to how your Defined Strategy Account is managed by your Advisor and through your Account statements. Any changes to how the Defined Strategy is managed may materially impact the performance of your Account.

No claim is made that the performance information contained in the Defined Strategy Profiles has been calculated according to any industry standards.

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

Merrill Lynch, Certain Affiliates and Advisors Acting as Portfolio Managers

1. Advisory Services Provided by Merrill Lynch; Certain Affiliates; and Advisors

Except where you select a Strategy with Client Discretion, Merrill Lynch, acting primarily through your Advisor, will generally act as the portfolio manager as described above in the section "Strategies and Program Guidelines". In addition, if you select either Managed or Custom Managed Strategies, MAA will generally act as the portfolio manager as described above in the section "Strategies and Program Guidelines; MAA's Role in Managed and Custom Managed Strategies". Finally, in both Managed and Custom Managed Strategies, if you choose a Related Style Manager Strategy, such Related Style Manager will generally act as a portfolio manager, as described in the applicable Profile for the Related Style Manager Strategy.

2. Tailored Investment Advice

As described above in the section "Portfolio Advice" you may set a Portfolio Target Asset Allocation based on certain factors provided by you, select one or more Strategies for each of your Portfolios, and impose Reasonable Investment Restrictions. As described in the section "Strategies and Program Guidelines", depending upon the Strategy(ies) you select, your Advisor will help you select or select for you investments, including Style Manager Strategies, Funds and/or securities consistent with your Account Investment Objective, your Portfolio Target Asset Allocation and other information you provide to us.

3. Wrap Fee Programs

We act as both the wrap fee program sponsor and, as described above, the portfolio manager in Strategies described in this Brochure. We also act as the portfolio manager in other wrap fee programs sponsored by us. We receive the entire Merrill Lynch Fee as described in this Brochure. As explained in the section "Program Fees", the Style Manager Expenses are separate from (and in addition to) the Merrill Lynch Fee. We do not retain any portion of the Style Manager Expense, unless we or an Affiliate serves as the Style Manager.

We also act as a portfolio manager in certain investment advisory programs which are not wrap fee programs but are otherwise similar to the program described in this Brochure, such as the Merrill Lynch Mutual Fund Advisor program.

4. Performance-Based Fees

The Program does not charge performance-based fees, although certain Alternative Investment Funds available through the Program may be subject to a performance based fee charged by the Fund's manager, advisor or other party.

5. Methods of Analysis

As described in the section "Strategies and Program Guidelines," our Advisors and personnel have available to them certain research and analysis prepared by us and third-parties.

6. Voting Client Securities

You have the right to vote proxies for securities held in your Account(s) or to select a third-party agent to vote on your behalf. If you grant investment discretion and trading authority to either us or a Discretionary Manager, you may delegate proxy voting authority for all securities to the Proxy Delegation Vendor.

For all account enrollments unless you notify us in writing, you instruct as follows: (1) for Personalized Strategy with Client Discretion Accounts, you will retain proxy voting authority, (2) for all other Investment Advisory Program Strategies, you delegate voting discretion to the Proxy Delegation Vendor or a successor proxy voting service, voting under Benchmark Guidelines, or to Merrill Lynch, as described in the section "Account Preferences and Elective Services".

Client Information Provided to Investment Managers

As part of the enrollment process, we elicit information about your financial circumstances, investment objectives, risk tolerance and other relevant information relating to your Accounts and Portfolios. We provide this information to Style Managers as necessary and pursuant to the Client Agreement. We do not generally provide this information to Funds.

We rely on information you provide in managing your assets, and it is your responsibility to notify promptly your Advisor of any updates to such information. You have represented that the information that you provide us is accurate and complete in all material respects. It is your responsibility to notify promptly your Advisor of any material changes to the information you furnish to us, since failure to do so could affect the suitability of the services being provided. We will not be required to verify the accuracy of any such information. When we receive from you any material changes to the information you furnish, we will provide this information to MAA and, in certain instances, to Style Managers. If you have an investment policy statement or other investment guidelines, it is your responsibility to ensure that the investment policy statement or guidelines are properly reflected in your responses to your Advisor and are reflected in your Portfolio Summary, including any investment restrictions. We do not have any responsibility to review, monitor or adhere to any investment policy statement, investment guidelines or similar document relating to your Account, and adherence to such investment policy statement, guidelines or similar document is solely your responsibility.

Client Contact with Investment Managers

MAA has agreed to make one or more of its advisory or investment personnel reasonably available for consultation with you and your Advisor regarding a Style Manager Strategy, if you request. Upon request, certain Discretionary Managers periodically will make one or more of their advisory or investment personnel reasonably available for consultation with MAA, with Advisors or with you for a joint consultation with your Advisor regarding a Style Manager Strategy, the composition and performance of a Strategy, and the factors underlying the selection of the securities included in a Style Manager Strategy. You should contact your Advisor to arrange for a consultation with MAA or a Discretionary Manager.

Additional Information

Disciplinary Information

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

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

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

On June 6, 2009, the United States District Court for the Southern District of New York entered a judgment enjoining BAI and BAS from violating, directly or indirectly, Section 15(c) of the Exchange Act. The SEC had filed a complaint alleging that BAI and BAS misled customers regarding the fundamental nature and increasing risks associated with auction rate securities (“ARS”) underwritten, marketed and sold by BAS and BAI and that by engaging in such conduct, BAI and BAS had violated Section 15(c) of the Exchange Act. Without admitting or denying the allegations, BAI and BAS entered into a consent, whereby they agreed to a series of undertakings designed to provide relief to “individual investors” (as defined in the consent) including: (1) through their affiliate, offering to purchase at par from individual investors certain ARS; (2) agreeing to use reasonable efforts to identify individual investors who sold certain ARS below par, and to pay such investors the difference between par and the price at which they sold the securities; (3) agreeing to participate in a special arbitration process for the purpose of arbitrating any individual investor’s consequential damage claim related to its investment in ARS; (4) agreeing to refund certain refinancing securities through the firms; and (5) undertaking to make their best efforts to work with issuers and other interested parties to seek to provide liquidity solutions for institutional investors that are not considered “individual investors.” Two similar regulatory actions involving the marketing and sale of ARS occurred on January 10, 2012: (1) Merrill Lynch (as successor by merger to BAS and BAI, the “Respondents”) agreed to a settlement with the Illinois Securities Department (the “Department”); and (2) Merrill Lynch agreed to a settlement with the North Carolina Department of the Secretary of State, Securities Division (the “Division”). In both actions, it was alleged that inappropriate marketing and sales of ARS occurred without adequately informing certain customers of the increased risks of illiquidity associated with ARS. Both the Department and the Division of the respective states alleged that, through the aforementioned conduct, there occurred dishonest and unethical practices in the offer and sale of securities and failure to supervise agents resulted. In the Illinois action, the Respondents agreed, among other things, to repurchase at par certain illiquid ARS held by certain clients of Merrill Lynch. Additionally, the Respondents agreed to pay a total fine of \$1,578,320.87 to the State of Illinois representing Illinois’s portion of a total civil penalty of \$50,000,000 that will be distributed among the states and U.S. territories that enter into similar administrative or civil consent orders related to ARS. With respect to the North Carolina action, Merrill Lynch agreed, among other things, to repurchase at par certain illiquid ARS held by certain clients of Merrill Lynch. Additionally, Merrill Lynch agreed to pay a total fine of \$3,193,552.24 to the Division representing its portion of a total civil penalty of \$125,000,000 that will be distributed among the states and U.S. territories that enter into similar administrative or civil consent orders related to ARS.

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

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

On 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 Advisors 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 Advisors 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 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 Advisors to the insurance companies, Merrill Lynch gave no specific instruction to the Advisors concerning the reallocation of the underlying sub-accounts of variable products; and (4) that Merrill Lynch failed to adequately enforce its established policy prohibiting market timing. Without admitting or denying the findings in the order, Merrill Lynch agreed to pay a civil monetary penalty of \$10 million and to certain undertakings including implementation of new procedures to maintain, as a required book and record under New Jersey and federal securities laws, records of all client reallocation requests made through a Merrill Lynch employee that involve mutual funds held as sub-accounts of variable annuity products of outside insurance carriers.

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 ("Final Judgment"). Pursuant to the settlement, which was entered on October 31, 2003 and modified on March 15, 2010, Merrill Lynch: (1) was permanently enjoined 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. In a related disciplinary event, Merrill Lynch (as successor

by merger to BAS) entered into an amended offer of settlement with the SEC on October 9, 2012. The settlement stems from an SEC Order dated March 14, 2007 against BAS (the "2007 BAS Order") claiming that BAS investment bankers inappropriately influenced equity research analysts, resulting in the publication of materially false and misleading research during the period of January 1999 through December 2001. The 2007 BAS Order censured BAS and ordered BAS to: (i) cease and desist from committing or causing any violations or future violations of Section 15(c) and 15(f) of the Exchange Act, and Rule 15c1-2(a); (ii) pay \$26 million in disgorgement and penalties into a fair fund for distribution to its affected customers; (iii) retain an independent consultant to conduct a comprehensive review of the firm's internal controls to prevent the misuse of material nonpublic information concerning BAS research; (iv) certify to the SEC's staff in the second year following the issue of the 2007 BAS Order that BAS had established and continued to maintain Exchange Act Section 15(f) policies, practices, and procedures consistent with the findings of the 2007 BAS Order; and (v) comply with Addendum A to the 2007 BAS Order, which implemented certain structural changes to the operations of the firm's equity research and investment banking departments. In the Merrill Lynch action, the District Court, on March 15, 2010, modified Addendum A to the October 31, 2003 Final Judgment by, among other things, removing similar provisions that remained in Addendum A to the 2007 BAS Order. The 2007 BAS Order, which remains in effect and binding on Merrill Lynch (as successor by merger to BAS), was modified on October 9, 2012, to strike Addendum A and provide that Merrill Lynch analysts, including ex-BAS analysts, must comply with the Final Judgment.

Other Financial Industry Activities and Affiliations

MLPF&S, an indirect wholly-owned subsidiary of Bank of America, is a leading global investment banking firm and a registered broker-dealer, investment adviser and futures commission merchant. In the United States, MLPF&S acts as a broker (i.e., agent) for corporate, institutional and governmental and private clients and as a dealer (i.e., principal) in the purchase and sale of corporate securities, primarily equity and debt securities traded on exchanges or in the over-the-counter markets. We also act as a broker and/or 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 MLPF&S and other affiliates.

MLPF&S operates the firm's U.S. retail branch system, and also provides financing to clients, including margin lending and other extensions of credit as well as a wide variety of financial services, such as securities clearing, retirement services, and custodial services.

MAA, a direct wholly-owned subsidiary of Merrill Lynch & Co., Inc. ("ML&Co."), is a registered investment adviser that provides investment advisory services to clients that establish accounts under the Program and other investment advisory programs. As registered advisers, MLPF&S and MAA complete Form ADVs, which contain additional information about those entities, Bank of America and their affiliates. Information is available through publicly available filings at the SEC or at http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx. For purposes of Form ADV Part 2, certain MLPF&S and/or MAA management persons are registered as registered representatives or associated persons of Merrill Lynch. In the future, certain MLPF&S and/or MAA personnel may be considered management persons and, as such, may be registered, or have applications pending to register, as registered representatives and associated persons of Merrill Lynch to the extent necessary or appropriate to perform their job responsibilities.

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

We, through our Advisors, may suggest or recommend that clients, including Program clients, use our securities account, execution and custody or other services, or such services of an affiliate. Similarly, 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. Advisors may, as permitted by applicable law, receive compensation (the amount of which may vary) in connection with these products and services.

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

We address these conflicts in a variety of ways, including, disclosure of various conflicts in this Brochure. Moreover, our 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

We and our Affiliates have business relationships with many investment managers, including Style Managers participating in the Program, separate and apart from the Program. For example, these 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 its business. We may receive compensation in connection with such transactions and other services.

Investment managers may pay for, or reimburse us or our Affiliates for, various costs arising from client and prospective client meetings, sales and marketing materials, and educational, training and sales meetings

held with Advisors and other personnel of MLPF&S, MAA or their Affiliates relating to the Program and asset management generally. The investment manager may also make charitable donations or cover the costs of reasonable entertainment in connection with events sponsored by MLPF&S or its Affiliates or related to clients. Certain Style Managers may be Related investment managers, as indicated on the respective Profiles.

1. Alternative Investment Funds.

We or our Affiliates have negotiated fee sharing arrangements with substantially all of the managers of the Alternative Investment Funds available through the Program. Pursuant to these arrangements, except as restricted under applicable law, we or our Affiliates receive "Additional Compensation" equal to portions of the management fees, performance-based compensation and/or other asset-based fees payable by such Funds to the manager or an Affiliate thereof that are attributable to investments made in the Fund through us or our Affiliates (including investments made by your Account, either directly or indirectly through a Related Fund). We or our Affiliates have negotiated to receive such amounts from the Funds, the investment manager or an affiliate thereof in order to defray costs incurred in connection with and in consideration of certain administrative and operational support that we and our affiliates provide to Related Funds that have been organized to facilitate our clients' access to Alternative Investment Funds, and/or in connection with and in consideration of certain distribution, marketing, administrative or other investor services we provide in connection with a client's direct investment in an Unrelated Fund. The amounts and types of such Additional Compensation that we and our Affiliates receive (i) varies among Alternative Investment Funds, including those that pursue the same or similar strategies, based on the arrangements that are negotiated with the managers and the performance of the Alternative Investment Funds and (ii) may substantially exceed the cost of the services provided in any given year. The actual terms of our fee sharing arrangements with Fund managers may be disclosed in the Offering Materials of the relevant Alternative Investment Fund, subject to confidentiality requirements and other obligations imposed by the Fund managers.

For investments in AI Advisory Units (either directly or indirectly through a Related Fund), we or our Affiliates receive, on an ongoing basis: (i) a portion of the management fees, services fees or other asset-based fees payable by an Alternative Investment Fund to its manager or an Affiliate thereof in an amount ranging from 0% to 1% of the average net asset value attributable to AI Advisory Units that are purchased through us or our affiliates; and/or (ii) an amount ranging from 0% to 25% of the total performance-based compensation (i.e., up to approximately 5% of new appreciation over a high water mark or hurdle rate, as applicable) payable by an Alternative Investment Fund to its manager or an affiliate thereof that is attributable to AI Advisory Units that were purchased through us or our Affiliates. In the case of certain Related Funds, AI Advisory Units may be subject to a sponsor fee of up to 0.75% of their average month-end net asset value (generally, where we or our affiliates do not receive Additional Compensation from the Fund manager). The amount of Additional Compensation and sponsor fees we or our Affiliates receive in connection with any additional AI Advisory Units made available through the Program after the date of this Brochure may exceed the foregoing amounts and ranges.

Style Manager Strategies for which Merrill Lynch acts as the Style Manager, Related Style Managers, Related Funds, and Managed Strategies constructed and implemented by us, while not subject to the same review process as described above, may also be made available for selection by you in Managed Strategies and Custom Managed Strategies

as we deem appropriate and will be subject to internal governance processes and any applicable legal restrictions. In addition, certain Style Manager Strategies and Managed Strategies provided by other Style Managers will also not be subject to the same review process as described above and as further described in the Profile(s).

As a result of such fee sharing arrangements, we may have a conflict of interest in selecting certain Alternative Investment Funds for inclusion in the Program over others. You should be aware that the amount of fees paid by the different Fund managers varies and that Fund managers who would otherwise meet our criteria for inclusion in the Program but who do not agree to pay such fees may not be selected, thereby limiting the available universe of Alternative Investment Funds. The presence of the fee sharing arrangements with certain Alternative Investment Funds, and the fact that they vary with respect to different Alternative Investment Funds, may also create an incentive for us to recommend that you invest in Alternative Investment Funds that pay higher fees to us or our Affiliates. The presence of these compensation arrangements may also cause us and our Affiliates to forego opportunities to negotiate more favorable financial terms for client investments in Alternative Investment Funds or to recapture all or a portion of the amount of such Additional Compensation for your benefit.

We address the conflicts of interests associated with our fee sharing arrangements by calculating the compensation paid to our Advisors on the same basis for all Program assets, including the AI Advisory Units, without regard to the amount of Additional Compensation we or our Affiliates receive in connection with the Investments. Additionally, we and our Affiliates select the Alternative Investment Funds and managers that are available on our brokerage and advisory platforms and offered through the Program based on qualitative and quantitative evaluation of such factors as performance, risk management policies and procedures and consistency of the execution of their strategy. We have adopted various policies and procedures reasonably designed to prevent the receipt of the Additional Compensation, sponsor fees and other business arrangements from affecting the nature of the advice we provide, although such policies and procedures do not eliminate such conflicts of interest.

2. Funds and Related Investing

Your Accounts may invest in Funds, including Related Funds. Each Fund or its respective principal underwriter or other agent has entered into an agreement with us for the performance of sub-accounting 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 the Program. We and our Affiliates receive sub-accounting fees for the performance of these services, which are either borne by the Fund (like other mutual fund expenses) or by its adviser, principal underwriter or other agent. These sub-accounting and related service arrangements generally vary by Fund. Depending on the Fund or its adviser's, principal underwriter's or other agent's arrangement with us or our Affiliate, we or our Affiliate will receive from the Fund or the Fund's service provider or its Affiliate, sub-accounting fees of either up to 0.15% per annum of the amount invested in such Fund or up to \$21 annually per Merrill Lynch client position in the Fund. These sub-accounting fee rates are subject to change from time to time. Sub-accounting fee rates may be received individually, or may be part of a "bundled" arrangement with a Fund that includes other types of fees, such as distribution and marketing support payments. We also receive compensation from some Fund sponsors for our distribution, marketing services and other support with regard to their Funds in amounts that may vary but will not exceed 0.10% per annum of the amount invested in their Funds. We do not retain compensation for distribution, marketing services and other support with respect to

Funds in Retirement Accounts. For more information, please refer to the document entitled "Mutual Fund Investing at Merrill Lynch" available at www.ml.com/funds and also available from your Advisor upon request. These fees are not paid directly out of your 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 these fees, we and our Affiliates receive fees paid by certain ETF or similar product sponsors or their Affiliates for licensing or other arrangements. These fees, which are typically calculated as a percentage of the assets of the ETF or similar product, are not generally borne by the Fund, but are instead paid directly from the sponsor or its Affiliate to us and our Affiliates.

Certain of the Funds that your Advisor may recommend or purchase for your Accounts include Related Funds, including, but not limited to, BofATM Global Capital Management. Due the additional economic benefit to Merrill Lynch, our Related Companies or their respective Affiliates, as applicable, and, potentially, your Advisor, from investments in Funds, a conflict of interest may exist. For Funds advised, sponsored or distributed by Merrill Lynch, a Related Company or their respective Affiliates, Merrill Lynch, a Related Company or their respective Affiliates, as applicable, will receive investment management fees and, if applicable, Rule 12b-1 fees or other service fees from the Funds. For other Funds, Merrill Lynch and its Affiliates also may receive Rule 12b-1 fees or other services fees from the Funds. Rule 12b-1 fees generally cover shareholder servicing and distribution services relating to the Funds. 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, shareholder servicing 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 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.

From time to time, Merrill Lynch may enter into distribution agreements with one or more asset managers pursuant to which Merrill Lynch distributes certain products and services sponsored or advised by the asset manager. Some of these agreements include arrangements with asset managers who are former Related Companies such as BlackRock and Columbia Management Investment Advisers, LLC. An executive officer of Merrill Lynch serves on the board of directors of BlackRock.

Consistent with applicable laws, management and employees of BlackRock and Bank of America Affiliates may be provided a broader level of access and exposure to Merrill Lynch, our management, Advisors and other personnel, marketing events and materials, and client-related and other information. Such access and exposure may not be available to other asset managers and may enhance the ability of 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 other 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, shareholder servicing, accounting and printing services, as described in the Funds' prospectuses or Statements of Additional Information.

Any fees or compensation we and our Affiliates receive from a Fund or a Fund's principal underwriter, agent or sponsor in connection with your investment in the Fund ("Fund-Related Compensation") will be in addition to the Program Fee and, except to the extent required by applicable law, we and our Affiliates do not offset any fees and expenses you may owe to us (including, but not limited to, the Program Fee) by the amount of such Fund-Related Compensation we receive. You should consider this Fund-Related Compensation when evaluating the amount and appropriateness of the fees we earn in connection with your Account and the Program.

As a result of such Fund-Related Compensation, we may have a conflict of interest in selecting certain Funds for inclusion in the Program over others. You should be aware that the amount of fees paid by the different Funds and/or Fund sponsors varies and that Funds that would otherwise meet our criteria for inclusion in the Program but whose principal underwriters, agents or sponsors do not agree to pay such fees may not be selected, thereby limiting the available universe of Funds. The presence of Fund-Related Compensation which may vary with respect to different Funds may also create an incentive for us to recommend that you invest in Funds that pay higher fees to us or our Affiliates. The presence of these compensation arrangements may also cause us and our Affiliates to forego opportunities to negotiate more favorable financial terms for client investments in Funds or to recapture all or a portion of the amount of such Fund-Related Compensation for your benefit.

We address the conflicts of interests associated with the payment of Fund-Related Compensation by calculating the compensation paid to our Advisors on the same basis for all Program assets without regard to the amount of Fund-Related Compensation we or our Affiliates receive in connection with the Investments. Additionally, we and our Affiliates select Funds that are available on our brokerage and advisory platforms and offered through the Program based on qualitative and quantitative evaluation of such factors as performance, risk management policies and procedures, and consistency of the execution of their strategy. We have adopted various policies and procedures reasonably designed to prevent the receipt of Fund-Related Compensation and other business arrangements from affecting the nature of the advice we and our Advisors provide, although such policies and procedures do not eliminate such conflicts of interest.

3. Referral Arrangements

We have entered into agreements pursuant to which unaffiliated third party advisers compensate us for referring clients to such advisers. This arrangement with an unaffiliated third party adviser is separate and distinct from your relationship with your Advisor with respect to your Program Account and neither we nor your Advisor is providing you with investment advice in connection with the arrangement. Any recommendation to participate in such an arrangement with an unaffiliated third party adviser, as well as the related compensation that we or our Affiliates may receive in connection with any such arrangement, creates potential conflicts of interests between you and us, including your Advisor. The costs associated with the services provided by such adviser to you, including any management fees paid to the unaffiliated third-party advisers or commissions paid to us in connection with the transactions executed in an account outside the Program, are generally not included in the Program fees and will result in additional compensation to us and your Advisor.

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

1. Code of Ethics

Each of MLPF&S and MAA has 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. Each Code of Ethics is based on the principle that clients' interests come first, and it is intended to assist employees in meeting the high standards that each of MLPF&S and MAA follows in conducting our business with integrity and professionalism. Each Code of Ethics covers such topics as the:

- Requirement that all employees comply with all applicable securities and related laws and regulations;
- Reporting and/or 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 to receipt of the Code of Ethics.

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

MLPF&S and MAA each acknowledge that it is: (1) subject to fiduciary responsibilities under the Advisers Act when it provides the investment advisory services pursuant to the Client Agreement, and (2) a fiduciary, as defined by ERISA, for a client that is an ERISA Plan, with respect to the investment advice it provides such plan.

2. Participation or Interest in Client Transactions

a. Principal, Agency Cross and Cross Trades

Principal Transactions. We or an Affiliate may execute transactions in your Account on a principal basis (that is, when we or an Affiliate sell a security to you, or buy a security from you, for our own account) as permitted by law, and upon your consent. Principal transactions may give you access to investment opportunities or trade executions that might not otherwise be available to you. Examples of principal transactions include the purchase of equity or fixed income securities in a new issue offering where we are an underwriter and the purchase or sale of fixed income securities from or to us in the over the counter markets. Principal transactions may not be effected for Retirement Accounts, except in accordance with applicable law.

By signing the "Consent to Principal Transactions" form, you will authorize and provide your initial written consent to allow us to execute transactions in your Personalized Strategy with Client Discretion Accounts on a principal basis as permitted by law. You may refuse to provide this initial consent or may revoke this initial consent to principal transactions at any time, in writing, by requesting a revocation form from your Advisor. Where you choose not to provide your initial consent or otherwise revoke your initial consent to principal transactions, there will be limitations on certain securities transactions that may be executed in your Personalized Strategy with Client Discretion Account. For instance, you will not have access to our inventory of securities that trade in principal markets, including securities for which we serve as the principal market maker. The inability to trade with us may limit the securities that are available to you and/or may limit your ability to sell securities that are held in the account at competitive prices. It is important to note that even if you have provided

us with your initial written consent to principal transactions, you make all decisions concerning your Account, including whether we may effect a transaction as principal. We will inform you (orally or otherwise) that we may execute a transaction on a principal basis and, at the time of the trade, you will have the opportunity to withhold your consent and may refuse to authorize your Advisor to proceed with the transaction on a principal basis.

There are conflicts of interest present when we execute transactions in your Account on a principal basis. If Merrill Lynch effects a principal transaction for your Account, then in addition to the Program Fee, we may receive a commission, markup or markdown, underwriting fee or selling concession, or other compensation with respect to the transaction, which would result in additional compensation or other benefit to us or our Affiliate. We may also benefit from the “spread” or the difference between the price we pay for a security and the price at which we sell it to you, or between the price we may pay for a security that we may buy from you and the price for which we may later sell it. In addition, we may have an incentive to recommend a transaction in a security that we maintain in our inventory that is otherwise difficult for us to sell. The receipt of additional compensation and an incentive to recommend a transaction involving our inventory present conflicts between our interest and yours. The types of securities that may be purchased or sold on a principal basis in your Account pursuant to the terms of your Agreement may change in the future and could become more limited.

Agency-Cross Transactions. We may, at times, have the opportunity to act as agent for both buyer and seller in a transaction for your Account. This is called an agency-cross transaction. Since we generally will receive compensation from each party to an agency-cross transaction, there is a potential conflict between our responsibilities and loyalties to you and to the other party to the transaction. Any compensation we receive will be in addition to the Program Fee. The Client Agreement generally gives us permission to engage in agency-cross transactions for your Account, except where prohibited by law. You may revoke your consent at any time by notifying us in writing.

For a Retirement Account that is subject to ERISA, transactions, including agency cross transactions, will be effected by or through Merrill Lynch or our Affiliates in compliance with ERISA Section 48(b)(19), U.S. Department of Labor Prohibited Transaction Exemption 86-128, or otherwise in a manner that is not prohibited by ERISA.

Internal-Cross Transactions. At times, we may consider a security being sold by one investment advisory client to be appropriate for purchase by another investment advisory client account. In such cases, we may arrange to transfer or “cross” the security directly between the affected accounts. Any cross transactions in your Account would be effected in accordance with applicable law and your Agreement. Cross transactions generally will be effected at an independently determined market price and will not result in any additional compensation to us.

Internal cross transactions for Retirement Accounts subject to ERISA will be effected for your Account in compliance with U.S. Department of Labor Prohibited Transaction Exemption 2002-12 or otherwise in a manner that is not prohibited by ERISA.

b. Loans and Collateral

As we describe in detail above in “Risks and Tax Disclosures; Loans and Collateral” your Account assets may be “pledged” or used as collateral, with our consent, in connection with loans obtained through certain affiliated or unaffiliated Lending Programs. The costs associated with the Lending Programs are not included in the Program Fees and may result in additional compensation to us, our Affiliates and your Advisor. This

additional compensation may result in a conflict of interest between us and you. We address this conflict of interest through our disclosure in this Brochure and through the disclosure related to each Lending Program.

c. Acting as General Partner

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

d. Other Financial Interests

As described above, certain Strategies may involve the use of margin. MLPF&S will receive compensation in connection with any assets purchased in an Account on margin or other extensions of credit by MLPF&S, which is in addition to, and does not reduce, the Program Fee. Margin interest paid by you on debit balances is not included in the Program Fee. Advisors may receive additional compensation in such circumstances as well as in limited cases, from rights or tender offers. Due to the additional economic benefit to MLPF&S from their use of margin, a conflict of interest may exist. Please see the section entitled Long/Short Strategies and Margin. We address this conflict of interest through disclosure in this Brochure.

Merrill Lynch, a Related Company or their respective Affiliates will receive additional economic benefits from cash investments held in your Account in addition to the Program Fee. This conflict may be greater when higher cash balances are maintained in your Account. At times, however, we and a Style Manager, if applicable (including, where applicable, Related Style Manager), may believe that it is in your best interest to maintain assets in cash, particularly for defensive purposes in volatile markets. We or a Style Manager will not be precluded by any of these conflicts from exercising our judgment in your best interest.

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

3. Securities Trading by Merrill Lynch and its Personnel

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

Related Style Managers may provide advisory services for one or more Strategies available for selection by you. Any Affiliate may be a substantial stockholder in certain Related Style Managers, as indicated in the relevant Profile. If a Related Style Manager is selected, we and/or a Related Company may retain both the Program Fee and the Style Manager Expense attributable to the portion of assets in your Account advised by the Related Style Manager. For this reason, a potential conflict of interest exists when we or your Advisor selects or assists you in the selection of, as applicable, a Strategy (or replacement Strategy, if applicable).

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

Please see the section entitled “Brokerage” for information about how the Style Manager Expense for Discretionary Managers may be higher than for other Style Managers with the same or similar Strategies.

We or one of our Affiliates may have a position in or enter into “proprietary” transactions in securities purchased or sold for clients, including clients participating in the Program. We or our Affiliates may benefit from such securities positions or transactions.

We address these conflicts in a variety of ways, including (i) through disclosure in this Brochure; (ii) our Advisors are required to recommend investment advisory programs, investment products and securities that are suitable for each client based upon your investment objectives, risk tolerance and financial situation and needs; (iii) 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 Advisors to pre-approve certain securities transactions, disclose their investment accounts, provide an annual holdings report, and provide a quarterly transaction report. Your Advisor may, however, participate in block trades with you and/or other Program clients.

Review of Accounts

1. Account Reviews

An important part of the Program relationship involves providing you with the opportunity to engage in periodic reviews in which your Advisor reviews the progress of your Portfolios and Accounts towards your goals and other important information about your investments. Because these reviews provide you with important and necessary information relating to your Accounts, you are strongly encouraged to take advantage of these opportunities to participate in these Account reviews with your Advisor. If you do not participate in your Account review, we may, in our discretion, terminate your Account(s).

2. Client Reports

a. Portfolio Summary

We will periodically communicate to you important information about how we are managing your assets in the Program. The primary means through which we will communicate with you and memorialize the important terms, conditions and information about your Portfolios, Accounts and Strategies, is the “Portfolio Summary.” You will receive your first Portfolio Summary from us after we accept your enrollment in the Program and each time you make changes to certain of the Services you elect, including, but not limited to, when you:

- Add Portfolios or Accounts;
- Add or change Strategies in each Portfolio;
- Change your Portfolio Investment Objective, Risk Factor, Time Horizon or Liquidity Needs;
- Add or Change Account Preferences or Elections (e.g., Automatic Rebalancing or Automatic Contributions or Withdrawals);
- Change your Account Investment Objective; or
- Your Program Fee rate for an Account is changed.

The information set forth in the initial and each subsequent Portfolio Summary is how we reflect the Services that we will provide to you with respect to the assets in your Accounts and pursuant to the Client Agreement. You should review each Portfolio Summary we send to you carefully to ensure that the information reflected therein is accurate and you should contact your Advisor if you believe any of the information is, or becomes, inaccurate.

As an accommodation to you, we may agree, in our sole discretion, to permit you to add accounts to a Portfolio Summary that are not subject to the Client Agreement (e.g., your commission based brokerage accounts). If we permit you to add accounts to a Portfolio Summary that are not subject to the Client Agreement, we will not be an investment adviser or a fiduciary with respect to the assets in such accounts. Any such accounts will continue to be subject to the terms and conditions of the securities account agreement between you and Merrill Lynch applicable to such account. Any advice that we may provide to you with respect to the assets in such accounts, including asset allocation advice, will be incidental to the services that we provide to you under the other applicable securities account agreement.

b. Other Reports

In addition to the Portfolio Summary, we will send you periodic updates that contain information about your Portfolios and Accounts, including, trade confirmation information and account statements. We will also provide you with periodic performance reports to help you monitor and assess the performance of your Portfolios, Accounts and the Strategies you select. These reports contain information regarding investment return, risk and selected benchmark comparisons for your assets in each Strategy you select. You should review all such materials carefully and promptly report any discrepancies to your Advisor.

Client Referrals and Other Compensation

1. Compensation for Client Referrals

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

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 Advisor for the applicable account. We will pay this fee to the Solicitor from the date you establish an Account in the Program for as long as your Account remains enrolled in the Program 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 BANA, including its private bank, U.S. Trust, Bank of America Private Wealth Management, and other Affiliates for products and services. Similarly, employees of BANA 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 BANA or its Affiliates.

2. Other Compensation

ML&Co. and its affiliates have business relationships with many investment managers, including those participating in the Program, separate and apart from the Program. For example, these investment managers may direct 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 Advisors may receive compensation in connection with such transactions and other services. Your Program Fees will not be increased due to the other compensation received by your Advisor. You are encouraged to speak with your Advisor to discuss any questions that you may have about existing or potential conflicts of interest relating to your selected Funds, Strategies or Style Manager Strategies, including any business relationships that the relevant Funds or Style Managers may have with ML&Co., Bank of America, their affiliates or Advisors. We address these conflicts of interest through our disclosure in this Brochure and generally through additional disclosures related to certain other transactions or services.

Financial Information

Not Applicable

Glossary

"Account" means each of the securities accounts to which the Client Agreement applies, and as set forth in the Portfolio Summary, as amended from time to time.

"Account Investment Objective" means an investment objective (Income, Total Return or Growth) you choose with the help of your Advisor, which informs the Advisor as to how the assets assigned to a particular Account should be managed.

"Additional Compensation" means certain additional compensation received by Merrill Lynch from certain Funds (including Alternative Investment Funds) or their principal underwriters, investment managers or other agents in connection with the investment in such Funds by clients in the Program.

"ADR" means an American Depositary Receipt.

"Advisor" means a Merrill Lynch Financial Advisor or Private Wealth Advisor.

"Affiliate" means a company that is controlled by, in control of, or under common control with another company.

"Aggressive" an Aggressive Risk Factor means you are willing to sustain loss of principal in individual transactions in the expectation that overall portfolio results in the balance of their holdings will produce above-average returns. Concentrated positions and frequent portfolio changes typify this type of investor. You may experience a wide variance in results from one year to the next in the pursuit of longer-term goals.

"AI Advisory Units" means certain Alternative Investment Funds that are available to eligible clients in the Program through a class or series of interests, units or shares or interests in a separate fund that has been structured specifically for clients subscribing to such Alternative Investment Funds.

"Alternative Investment Fund" means a hedge fund, private equity fund, managed futures fund, commodity pool, or other Fund (excluding a mutual fund or ETF) that invests in (i) alternative asset classes, or (ii) other Funds that invest in whole or in part in any of the foregoing types of Funds, in each case, as we designate from time to time in our sole discretion.

"Authority" means the authority to make certain investment and trading decisions with respect to the assets in an Account. We describe the effect of Authority for each Strategy in the section called "Strategy and Program Guidelines."

"BANA" means Bank of America, N.A.

"Bank of America" means Bank of America Corporation.

"BlackRock" means BlackRock, Inc. and its affiliates.

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

"BofAML Global Research" means Bank of America Global Research.

"Client Agreement" means the investment advisory agreement among the Client, MAA and MLPF&S, as it may be amended from time to time.

"Code of Ethics" means each of the Investment Adviser Code of Ethics for MLPF&S and MAA.

"Conservative" a Conservative Risk Factor means that preservation of capital is your single most important concern. Adjusted for inflation, investment returns may be very low, or, in some years, negative, in return for high liquidity and reduced risk of principal loss.

"Defined Strategy Profile" means a written document entitled "Defined Strategy Profile" that contains a description of a Defined Strategy offered in the Program and may contain other information relating to the Strategy.

"Discretionary Manager" means a Style Manager that has full discretion to determine both which securities to buy, sell or hold for your Managed or Custom Managed Strategy Account, and which broker-dealer should be selected to effect transactions for your Account, subject to any direction to trade with Merrill Lynch. Where applicable, Discretionary Managers may also include a Style Manager that has the authority from time to time to place particular orders for the purchase and sale of certain securities or other property with respect to a Style Manager Strategy.

"Elective Services" includes Optional Rebalancing Service and Automatic Contribution and Automatic Withdrawal Service.

"Eligible Assets" means, with respect to the Optional Rebalancing Service and the Optional Automatic Withdrawal and Contribution Service, the equity securities in an Account that can be included in the target asset allocation for each of the services, including equity securities, certain Funds (mutual funds, ETFs and publicly traded closed-end funds, but excluding certain Alternative Investment Funds and certain other Funds) and cash and cash alternatives. Certain securities, such as fixed-income securities and foreign ordinary shares, cannot be purchased through these optional services and are not Eligible Assets.

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

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

"ETF" means an exchange-traded fund.

“ETN” means exchange-traded note.

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

“FINRA” means the Financial Industry Regulatory Authority, Inc.

“Fund” means registered and unregistered investment companies, including mutual funds, closed-end funds, ETFs, Alternative Investment Funds, real estate investment trusts and other pooled investment vehicles and, to the extent applicable, Offshore Funds. As used herein, the term “Fund” shall also include exchange-traded notes.

“Growth” means your Investment Objective is to accumulate wealth over time through price appreciation rather than current income. You should be willing to accept the risk of price volatility and principal loss in seeking to achieve growth.

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

“Income” means your Investment Objective is to obtain a continuing stream of income from investments. In order to satisfy current yield requirements, you should be willing to accept the risk of principal loss.

“ISS” means Institutional Shareholder Services, a subsidiary of MSCI, Inc.

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

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

“Legacy Programs” means Merrill Lynch Consults, Merrill Lynch Mutual Fund Advisor, Merrill Lynch Personal Advisor, Merrill Lynch Unified Managed Account, and Personal Investment Advisory.

“Lending Programs” means, collectively, certain unaffiliated or affiliated loan programs, such as, but not limited to, the securities based lending Loan Management Account® (“LMA”) and Mortgage 100®/Parent Power® mortgage programs.

“LMA” means the securities based lending Loan Management Account® program.

“MAA” means Managed Account Advisors LLC.

“Merrill Lynch” means MLPF&S and MAA, as applicable.

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

“Moderate” A Moderate Risk Factor means you are willing to accept possible principal loss as a risk incurred in the pursuit of higher total return. The degree of risk is normally reduced through diversification and asset allocation.

“NASD” means the National Association of Securities Dealers.

“NTF” means non-traditional funds such as mutual funds and exchange-traded funds that are classified as alternative investments because their principal investment strategies utilize alternative investment strategies or provide for alternative asset exposure as the means to meet their investment objectives.

“NYSE” means the New York Stock Exchange LLC.

“Offering Materials” means the prospectus or other offering and disclosure documents relating to a Fund.

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

“Portfolio Investment Objective” is a reflection of your overall outlook on how the assets in your Portfolio should be managed. You may choose from three Portfolio Investment Objectives: Income; Total Return; or Growth.

“Portfolio Liquidity Needs” is a reflection of your need to readily convert your Portfolio holdings to cash without experiencing a significant loss due to the lack of a ready market or incurring significant costs or penalties. Your Advisor will help you choose from five levels of Liquidity Needs for your Portfolio:

- None. You anticipate no need for liquidity.
- Low. You anticipate no more than 1/3 of the assets need to be liquid.
- Moderate. You anticipate a need for at least 1/3, but not more than 2/3 of the assets to be liquid.
- High. You anticipate a need for 2/3, but not all, of the assets to be liquid.
- All. All assets must be liquid.

“Portfolio Risk Factor” is a reflection of your ability and willingness to lose some or all the assets in your Portfolio in exchange for greater potential returns. Your Advisor will help you choose from three Portfolio Risk Factors: Conservative, Moderate; or Aggressive.

“Portfolio Summary” a periodic communication sent to you that contains important terms, conditions and information about your Portfolios, Accounts and Strategies. We may, for your convenience, also permit you to add to a Portfolio accounts that are not subject to the Client Agreement. We will clearly identify to you the accounts included in a Portfolio that are not subject to the Client Agreement and you acknowledge and agree that our inclusion of such accounts into a Portfolio shall not subject such account to the Client Agreement nor shall we be deemed an investment adviser or fiduciary (under ERISA or under the Investment Advisers Act) to such account, unless we otherwise agree in writing. We may also display, for your convenience, accounts that are not subject to the Client Agreement in your Portfolio Summary.

“Portfolio Time Horizon” is a reflection of how long you expect to invest in order to achieve your investment goal. Your Advisor will help you choose from the following time frames: 0-1 Years, 1-5 Years, 5-10 Years or 10+ Years.

“Private Equity Fund” means an Alternative Investment Fund designated as such by us which is usually typified by a fixed and finite life span and a capital cycle consisting of upfront client commitments, the calling of capital commitments, investment of the capital, and distribution of the capital over time.

“Profile” means a written document entitled “Profile” that contains a description of a Managed Strategy, Custom Managed Strategy, Style Manager Strategy or Style Manager offered in the Program and may contain other related information.

“Program” means the Merrill Lynch Investment Advisory Program.

“Proxy Delegation Vendor” means the proxy voting service provider.

“Reasonable Investment Restrictions” means one or more reasonable investment restrictions accepted by us that you would like to impose for any Account, such as identifying a security or investment sector that should not be purchased.

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

“REIT” means Real Estate Investment Trust.

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

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

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

“Related Style Manager” means a Style Manager that is a Related Company. For example, U.S. Trust is a Related Style Manager.

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

“Rule 12b-1 Fees” means fees paid for the distribution of mutual funds pursuant to a plan made under Rule 12b-1 under the Investment Company Act.

“SEC” means the United States Securities and Exchange Commission.

“Services” means the services provided in the Program and described in this Brochure.

“SIPC” means Securities Investor Protection Corporation.

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

“Specified Investments” means securities for which ISS or a successor Proxy Delegation Vendor, as the case may be, does not provide proxy voting services and that are described in our proxy voting policies and procedures included on the Website. A list of Specified Investments will be made available upon request.

“Strategy” means one or more investment styles or disciplines available in the Program. Our Strategies are generally differentiated by the way in which we will deliver our advice to you and the investments we make

available to you. The Strategies currently available in the Program include: (1) Managed Strategy; (2) Custom Managed Strategy; (3) Personalized Strategy; and (4) Defined Strategy.

“Style Manager” means an investment adviser, which may be Merrill Lynch, an Affiliate, a Related Company or a third-party that provides MAA or a client's Account with advice regarding the securities or other property to be purchased or sold in an Account. Style Managers may be registered investment advisers or investment advisers exempt from registration with the Securities and Exchange Commission.

“Style Manager Expense Rate” means the portion of the Program Fees for the Style Manager's services that is based on assets in an Account allocated to the Style Manager's Strategy. The Style Manager Expense Rate varies depending on the Style Manager.

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

“Style Manager Strategy” means one or more investment styles or disciplines that may include specific asset classes or asset types such as Funds or other Style Manager Strategies, or a combination thereof.

“Target Asset Allocation” means a recommended allocation of assets in a Portfolio across one or more asset classes.

“Total Return” means your Investment Objective is to strike a balance between current income and growth. Despite the relatively balanced nature of the portfolio, you should be willing to assume the risk of price volatility and principal loss.

“UIT” means unit investment trust.

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

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

“U.S. Trust” means U.S. Trust, Bank of America Private Wealth Management, a division of BANA.

“Website” means the website to which Merrill Lynch will direct the client and upon which a description of Specified Investments, the Benchmark Guidelines and the proxy voting policies and procedures of each of MAA and MLPF&S will be available. ■

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Supplement to the Brochure

January 6, 2014

STYLE MANAGER EXPENSE RATE

The Style Manager Expense rate currently payable to each Style Manager is listed below. The fee paid to a Style Manager will vary depending on particular investment styles, the type of securities involved, the nature of the services provided, the ability of a Discretionary Manager to effect trades for client Accounts with an Unaffiliated Investment Firm or other factors. Unless otherwise noted, MAA is responsible for placing orders for transactions in client Accounts. MLPF&S is the Style Manager for Style Manager Strategies for which there is no separate Style Manager Expense payable to MLPF&S for its services as Style Manager. Availability of Style Managers is subject to change.

STYLE MANAGER	STRATEGY	STYLE MANAGER EXPENSE RATE	AVAILABLE AS A STAND ALONE STYLE MANAGER STRATEGY (YES/NO)
ALL CAP CORE:			
A.R. Schmeidler & Co., Inc. ⁽²⁾	All Cap Core	0.30%	Yes
Davidson Investment Advisors ⁽²⁾	All Cap Core	0.30%	Yes
Davis Advisors ⁽²⁾	All Cap Core	0.35%	Yes
MDT Advisers	All Cap Core	0.30%	Yes
Seizert Capital Partners LLC	All Cap Core	0.30%	Yes
The Roosevelt Investment Group, Inc. ⁽²⁾	All Cap Core	0.30%	Yes
Trillium ⁽²⁾	All Cap Core - SRI	0.30%	Yes
Zacks Investment Management, Inc. ⁽²⁾	All Cap Core	0.30%	Yes
ALL CAP GROWTH:			
Alta Capital Management, LLC	All Cap Growth	0.30%	Yes
Calamos Investments	All Cap Growth	0.30%	Yes
ClearBridge Advisors LLC/Legg Mason Private Portfolio Grp	All Cap Growth	0.30%	Yes
Riverbridge Partners, LLC ⁽²⁾	All Cap Growth	0.30%	Yes
William Blair & Company, LLC ⁽²⁾	All Cap Growth	0.30%	Yes
ALL CAP VALUE:			
Anchor Capital Advisors, LLC	All Cap Value	0.30%	Yes
DeRoy & Devereaux Private Investment Counsel, Inc. ⁽²⁾	All Cap Value	0.30%	Yes
Equity Investment Corporation	All Cap Value	0.30%	Yes
Foundry Partners ⁽²⁾	All Cap Value	0.30%	Yes
Lord, Abbett & Co. LLC ⁽²⁾	All Cap Value	0.30%	Yes
Robeco Investment Management	All Cap Value	0.30%	Yes
Snow Capital Management, LP	All Cap Value	0.30%	Yes
BALANCED:			
AllianceBernstein LP	Balanced - LCC	0.256%	Yes
Anchor Capital Advisors, LLC	Balanced - ACV	0.268%	Yes
BlackRock Investment Management, LLC ⁽³⁾	Balanced - LCC	0.350%	Yes
BlackRock Investment Management, LLC ^(1, 3)	Balanced - LCC Muni	0.280%	Yes
ING Investment Management ^(1, 3)	Balanced - LCC	0.280%	Yes
Neuberger Berman LLC ^(1, 3)	Balanced-Muni	0.280%	Yes
Neuberger Berman LLC ⁽³⁾	Balanced	0.280%	Yes

STYLE MANAGER	STRATEGY	STYLE MANAGER EXPENSE RATE	AVAILABLE AS A STAND ALONE STYLE MANAGER STRATEGY (YES/NO)
Neuberger Berman LLC ⁽³⁾	Balanced - LCG	0.280%	Yes
Neuberger Berman LLC ⁽³⁾	Balanced - LCV	0.280%	Yes
Nuveen Asset Management, LLC ⁽³⁾	Balanced-Moderate	0.280%	Yes
Nuveen Asset Management, LLC ⁽³⁾	Balanced	0.280%	Yes
PIMCO/NFJ/Allianz Global Investors ⁽³⁾	Balanced	0.350%	Yes
CONVERTIBLES:			
Calamos Advisors LLC ⁽¹⁾	Convertibles	0.28%	Yes
Lord, Abnett & Co. LLC ⁽¹⁾	Convertibles	0.28%	Yes
MacKay Shields/Mainstay ⁽²⁾	Convertibles	0.28%	Yes
Putnam Investment Management, LLC	Convertibles	0.28%	Yes
Victory Capital Management, Inc.	Convertibles	0.28%	Yes
EMERGING MARKETS:			
Lazard Asset Management, LLC ⁽²⁾	Emerging Markets	0.35%	Yes
Lazard Asset Management, LLC ⁽²⁾	Developing Mks Eq Select ADR/GDR	0.40%	Yes
Neuberger Berman LLC ⁽²⁾	Emerging Markets	0.35%	Yes
FOREIGN ORDINARY:			
BlackRock Investment Management, LLC	International - Foreign Ordinary	0.35%	Yes
Capital Research and Management Company ⁽²⁾	International - Foreign Ordinary	0.35%	Yes
EARNEST Partners, LLC	International - Foreign Ordinary	0.35%	Yes
Echo Point	International - Foreign Ordinary	0.35%	Yes
Kleinwort Benson Investors	International - Foreign Ordinary	0.35%	Yes
MFS Institutional Advisors, Inc.	International - Foreign Ordinary	0.35%	Yes
Schafer Cullen Capital Management ⁽²⁾	International - Foreign Ordinary	0.35%	Yes
GLOBAL FOREIGN ORDINARY:			
Guggenheim Investment Management	Global-Foreign Ordinary	0.35%	Yes
GLOBAL EQUITY:			
BlackRock Investment Management, LLC	Global Equity	0.30%	Yes
Epoch Investment Partners, Inc./MainStay Investments ⁽²⁾	Global Equity	0.30%	Yes
Guggenheim Investment Management	Global Core	0.30%	Yes
ING Investment Management	Global Value	0.30%	Yes
Lazard Asset Management, LLC ⁽²⁾	Global Value	0.30%	Yes
Lazard Asset Management, LLC ⁽²⁾	Global Classic Value	0.30%	Yes
UBS Global Asset	Global Core - SRI	0.30%	Yes
GLOBAL FLEXIBLE:			
U.S. Trust. Bank of America Private Wealth Management	Global Flexible-WTAP	0.30%	Yes
Richard Bernstein Advisors ⁽²⁾	Global Flexible	0.30%	Yes
Sage Advisor Services	Global Flexible	0.20%	Yes
Windham Capital Management, LLC	Global Flexible	0.28%	Yes
Windham Capital Management, LLC	Global Flexible	0.28%	Yes
Windham Capital Management, LLC	Global Flexible	0.28%	Yes

STYLE MANAGER	STRATEGY	STYLE MANAGER EXPENSE RATE	AVAILABLE AS A STAND ALONE STYLE MANAGER STRATEGY (YES/NO)
GLOBAL REIT:			
Cohen & Steers Capital Management, Inc. ⁽²⁾	Global REIT	0.36%	Yes
CBRE Clarion Securities	Global REIT	0.36%	Yes
INTERNATIONAL CORE:			
Eaton Vance Management/Parametric Portfolio ⁽²⁾	International Core - MSCI EAFE	0.30%	Yes
JP Morgan Asset Management ⁽²⁾	International Core - ADR	0.30%	Yes
Neuberger Berman LLC ⁽²⁾	International Core	0.30%	Yes
Thornburg Investment Management ⁽²⁾	International Core - ADR	0.30%	Yes
WHV Investment Management ⁽²⁾	International Core	0.40%	Yes
INTERNATIONAL GROWTH:			
Invesco Advisers, Inc.	International Growth - ADR	0.30%	Yes
MFS Institutional Advisors, Inc. ⁽²⁾	International Growth	0.30%	Yes
Renaissance Investment Management	International Growth - ADR	0.30%	Yes
Schroder Investment Management	International Growth	0.30%	Yes
William Blair & Company, LLC ⁽²⁾	International Growth	0.30%	Yes
INTERNATIONAL VALUE:			
ClearBridge Advisors LLC	International Value	0.30%	Yes
Del Rey Global Investors, LLC	International Value - ADR	0.30%	Yes
Dreman Value Management, LLC ⁽²⁾	International Value	0.30%	Yes
JP Morgan Asset Management ⁽¹⁾	International Value	0.35%	Yes
Lazard Asset Management, LLC ⁽²⁾	International Value	0.30%	Yes
Lazard Asset Management, LLC ⁽²⁾	International Value - w/ Emerging Mkts	0.30%	Yes
NFJ Investment Group LLC/Allianz Global Investors ⁽²⁾	International Value	0.35%	Yes
NorthRoad Capital Management, LLC	International Value	0.30%	Yes
Philadelphia International Advisors, LP ⁽²⁾	International Value	0.30%	Yes
LARGE CAP CORE:			
Affinity Investment Advisors, LLC	Large Cap Core	0.28%	Yes
AllianceBernstein LP ⁽²⁾	Large Cap Core	0.28%	Yes
Bahl & Gaynor Investment Counsel ⁽²⁾	Large Cap Core - Income Growth	0.28%	Yes
BlackRock Investment Management, LLC	Large Cap Core	0.28%	Yes
Campbell Newman Asset Management ⁽²⁾	Large Cap Core - Dividend Growth	0.28%	Yes
Calvert / Atlanta ⁽²⁾	Large Cap Core - SRI	0.28%	Yes
ClearBridge Advisors LLC/ Legg Mason Private Portfolio Group LLC ⁽²⁾	Large Cap Core	0.28%	Yes
ClearBridge Advisors LLC/ Legg Mason Private Portfolio Group LLC	Large Cap Core	0.28%	Yes
C.S. McKee, LP ⁽²⁾	Large Cap Core	0.28%	Yes
Eagle Asset Management, Inc.	Large Cap Core - Dividend Focused	0.28%	Yes
Eaton Vance Management/Parametric Portfolio	Large Cap Core	0.28%	Yes
Fayez Sarofim & Co.	Large Cap Core	0.28%	Yes
Federated Investment Counseling	Large Cap Core - Dividend Focused	0.28%	Yes

STYLE MANAGER	STRATEGY	STYLE MANAGER EXPENSE RATE	AVAILABLE AS A STAND ALONE STYLE MANAGER STRATEGY (YES/NO)
Golden Capital Management, LLC	Large Cap Core	0.28%	Yes
ING Investment Management ⁽²⁾	Large Cap Core - GARP	0.28%	Yes
John Hancock Asset Management	Large Cap Core	0.28%	Yes
Neuberger Berman LLC ⁽²⁾	Large Cap Core	0.28%	Yes
Santa Barbara Asset Management	Large Cap Core - Dividend Focused	0.28%	Yes
The London Company ⁽²⁾	Large Cap Core - Dividend Focused	0.28%	Yes
U.S. Trust. Bank of America Private Wealth Management	Large Cap Core- Socially Innovative investing	0.28%	Yes
Victory Capital Management Inc.	Large Cap Core	0.28%	Yes
Wellington Management Company, LLP ⁽²⁾	Large Cap Core	0.33%	No
WestEnd Advisors, LLC ⁽²⁾	Large Cap Core	0.28%	Yes
LARGE CAP GROWTH:			
Ashfield Capital Partners LLC	Large Cap Growth - Traditional	0.25%	Yes
BlackRock Investment Management, LLC	Large Cap Growth - Traditional	0.28%	Yes
BlackRock Investment Management, LLC	Large Cap Growth - Capital Appreciation	0.28%	Yes
ClearBridge Advisors LLC/ Legg Mason Private Portfolio Group LLC	Large Cap Growth - Conservative	0.28%	Yes
Columbia Management Investment Advisers, LLC ⁽²⁾	Large Cap Growth - Aggressive	0.28%	Yes
Columbus Circle Investors	Large Cap Growth - Traditional	0.28%	Yes
Janus Capital Management LLC	Large Cap Growth - Aggressive	0.28%	Yes
JP Morgan Asset Management ⁽²⁾	Large Cap Growth - Traditional	0.28%	Yes
Loomis, Sayles & Co., LP/Natixis-AMA	Large Cap Growth - Conservative	0.28%	Yes
Marsico Capital Management, LLC	Large Cap Growth - Traditional	0.28%	Yes
Montag & Caldwell, LLC	Large Cap Growth - Conservative	0.25%	Yes
Neuberger Berman LLC ⁽²⁾	Large Cap Growth - Conservative	0.28%	Yes
Nuveen Asset Management, LLC	Large Cap Growth - Traditional	0.28%	Yes
TCW Investment Management Co.	Large Cap Growth - Aggressive	0.28%	Yes
The Boston Company Asset Management ⁽²⁾	Large Cap Growth - Traditional	0.28%	Yes
Victory Capital Management Inc.	Large Cap Growth - Aggressive	0.28%	Yes
Winslow Capital Management, Inc.	Large Cap Growth - Traditional	0.28%	Yes
LARGE CAP VALUE:			
BlackRock Investment Management, LLC	Large Cap Value - Traditional	0.28%	Yes
BlackRock Investment Management, LLC	Large Cap Value - Dividend Focused	0.28%	Yes
Cambiar Investors, LLC ⁽²⁾	Large Cap Value - Traditional	0.25%	Yes
Cohen & Steers Capital Management, Inc. ⁽²⁾	Large Cap Value - Traditional	0.28%	Yes
Davis Advisors ⁽²⁾	Large Cap Value - Relative	0.35%	Yes
Delaware Capital Management	Large Cap Value - Traditional	0.28%	Yes
Dreman Value Management LLC	Large Cap Value - Deep Value	0.28%	Yes
Eaton Vance Management ⁽²⁾	Large Cap Value - Traditional	0.28%	Yes
Foundry Partners ⁽²⁾	Large Cap Value - Traditional	0.28%	Yes
Goldman Sachs Asset Management	Large Cap Value - Traditional	0.28%	Yes

STYLE MANAGER	STRATEGY	STYLE MANAGER EXPENSE RATE	AVAILABLE AS A STAND ALONE STYLE MANAGER STRATEGY (YES/NO)
Herndon Capital Management	Large Cap Value - Traditional	0.28%	Yes
HGK Asset Management, Inc.	Large Cap Value - Traditional	0.28%	Yes
Invesco Advisers, Inc.	Large Cap Value - Deep Value	0.28%	Yes
Jennison Associates LLC	Large Cap Value - Traditional	0.28%	Yes
Matrix Asset Advisors, Inc ⁽²⁾	Large Cap Value - Relative	0.28%	Yes
M.D. Sass ⁽²⁾	Large Cap Value - Relative	0.28%	Yes
MFS Institutional Advisors, Inc. ⁽²⁾	Large Cap Value - Traditional	0.28%	Yes
Neuberger Berman LLC ⁽²⁾	Large Cap Value - Traditional	0.28%	Yes
NFJ Investment Group	Large Cap Value - Dividend Focused	0.33%	Yes
NWQ Investment Management Co., LLC ⁽²⁾	Large Cap Value - Traditional	0.33%	Yes
Robeco Investment Management	Large Cap Value - Traditional	0.28%	Yes
Schafer Cullen Capital Management ⁽²⁾	Large Cap Value - Dividend Focused	0.28%	Yes
Sound Shore Management	Large Cap Value - Traditional	0.28%	Yes
TCW Investment Management Co.	Large Cap Value - Relative	0.28%	Yes
Wellington Management Company, LLP ⁽²⁾	Large Cap Value - Traditional	0.35%	No
LIABILITY DRIVEN INVESTMENTS (LDI):			
BlackRock Investment Management, LLC ⁽¹⁾	Liabilities Driven Investments	0.25%	Yes
Columbia Management Advisors, LLC ⁽¹⁾	Liabilities Driven Investments	0.20%	Yes
MID CAP CORE:			
EARNEST Partners, LLC	Mid Cap Core	0.30%	Yes
PENN Capital Management Co. Inc.	Mid Cap Core	0.25%	Yes
Principal Global Investors	Mid Cap Core	0.30%	Yes
Seizert Capital Partners LLC	Mid Cap Core	0.30%	Yes
MID CAP GROWTH:			
Baird Investment Management	Mid Cap Growth	0.30%	Yes
Congress Asset Management Company	Mid Cap Growth	0.30%	Yes
Goldman Sachs Asset Management	Mid Cap Growth	0.30%	Yes
Janus Capital Management LLC	Mid Cap Growth	0.30%	Yes
Jennison Associates LLC	Mid Cap Growth	0.30%	Yes
Nicholas Investment Partners, LLC ⁽²⁾	Mid Cap Growth	0.30%	Yes
Palisade Capital Management, LLC	Mid Cap Growth	0.30%	Yes
MID CAP VALUE:			
Anchor Capital Advisors, LLC	Mid Cap Value	0.30%	Yes
Goldman Sachs Asset Management	Mid Cap Value	0.30%	Yes
JP Morgan Asset Management	Mid Cap Value	0.30%	Yes
NFJ Investment Group/Allianz Global Investors ⁽²⁾	Mid Cap Value	0.35%	Yes
Robeco Investment Management	Mid Cap Value	0.30%	Yes
Perkins Investment Management LLC	Mid Cap Value	0.30%	Yes
Thompson, Siegel & Walmsley LLC ⁽²⁾	Mid Cap Value	0.30%	Yes
Wedge Capital Management ⁽²⁾	Mid Cap Value	0.30%	Yes

STYLE MANAGER	STRATEGY	STYLE MANAGER EXPENSE RATE	AVAILABLE AS A STAND ALONE STYLE MANAGER STRATEGY (YES/NO)
REIT:			
AEW Capital Management/Natixis-AMA	REIT	0.30%	Yes
Cohen & Steers Capital Management, Inc. ⁽²⁾	REIT	0.30%	Yes
Heitman Real Estate Securities LLC	REIT	0.30%	Yes
SMALL CAP CORE:			
Atlanta Capital Management Company, LLC ⁽²⁾	Small Cap Core	0.35%	Yes
C.S. McKee, LP ⁽²⁾	Small Cap Core	0.35%	Yes
Delaware Capital Management	Small Cap Core	0.35%	Yes
Eagle Boston Investment Management	Small Cap Core	0.35%	Yes
EARNEST Partners, LLC	Small Cap Core	0.35%	Yes
Gannett Welsh & Kotler, LLC ⁽²⁾	Small Cap Core	0.35%	Yes
Glenmede Investment Management LP ⁽²⁾	Small Cap Core	0.35%	Yes
PNC Capital Advisors, LLC.	Small Cap Core	0.32%	Yes
The London Company ⁽²⁾	Small Cap Core	0.35%	Yes
WHV Investment Management ⁽²⁾	Small Cap Core	0.35%	Yes
SMALL CAP GROWTH:			
Apex Capital Management Inc. ⁽²⁾	Small Cap Growth	0.35%	Yes
ClearBridge Advisors LLC/Legg Mason Private Portfolio Grp ⁽²⁾	Small Cap Growth	0.35%	Yes
Eagle Asset Management, Inc.	Small Cap Growth	0.35%	Yes
Fred Alger Management, Inc. ⁽²⁾	Small Cap Growth	0.35%	Yes
Kalmar Investments, Inc.	Small Cap Growth	0.35%	Yes
Nicholas Investment Partners, LLC ⁽²⁾	Small Cap Growth	0.35%	Yes
Palisade Capital Management, LLC	Small Cap Growth	0.35%	Yes
Riverbridge Partners, LLC ⁽²⁾	Small Cap Growth	0.35%	Yes
SMALL CAP VALUE:			
Cambiar Investors, LLC ⁽²⁾	Small Cap Value	0.35%	Yes
Chartwell Investment Partners ⁽²⁾	Small Cap Value	0.35%	Yes
Denver Investments ⁽²⁾	Small Cap Value	0.35%	Yes
Foundry Partners ⁽²⁾	Small Cap Value	0.35%	Yes
Fox Asset Management LLC	Small Cap Value	0.35%	Yes
Fuller & Thaler	Small Cap Value	0.35%	Yes
Lord, Abbett & Co. LLC	Small Cap Value	0.35%	Yes
NFJ Investment Group LLC/Allianz Global Investors ⁽²⁾	Small Cap Value	0.35%	Yes
NWQ Investment Management Co., LLC ⁽²⁾	Small Cap Value	0.35%	Yes
Snow Capital Management, LP	Small Cap Value	0.35%	Yes
SMID CAP CORE:			
Atlanta Capital Management Company, LLC ⁽²⁾	SMID Cap Core	0.30%	Yes
Davidson Investment Advisors ⁽²⁾	SMID Cap Core	0.30%	Yes
EARNEST Partners, LLC	SMID Cap Core	0.30%	Yes
Jennison Associates LLC	SMID Cap Core	0.30%	Yes

STYLE MANAGER	STRATEGY	STYLE MANAGER EXPENSE RATE	AVAILABLE AS A STAND ALONE STYLE MANAGER STRATEGY (YES/NO)
Luther King Capital Management	SMID Cap Core	0.30%	Yes
SMID CAP GROWTH:			
Apex Capital Management Inc. ⁽²⁾	SMID Cap Growth	0.30%	Yes
Fred Alger Management, Inc. ⁽²⁾	SMID Cap Growth	0.30%	Yes
Riverbridge Partners, LLC ⁽²⁾	SMID Cap Growth	0.30%	Yes
SMID CAP VALUE:			
Advisory Research, Inc.	SMID Cap Value	0.30%	Yes
AllianceBernstein LP	SMID Cap Value	0.30%	Yes
EARNEST Partners, LLC	SMID Cap Value	0.30%	Yes
Guggenheim Investment Management	SMID Cap Value	0.30%	Yes
NWQ Investment Management Co., LLC ⁽²⁾	SMID Cap Value	0.30%	Yes
Vaughn Nelson	SMID Cap Value	0.30%	No
Wells Capital Management Inc. ⁽²⁾	SMID Cap Value	0.35%	Yes
BONDS - TAX EXEMPT:			
AllianceBernstein LP ⁽¹⁾	Municipal - Tax Aware (Low Bracket) Multi-Strategy	0.33%	Yes
AllianceBernstein LP ⁽¹⁾	Municipal - Tax Aware (Medium Bracket) Multi-Strategy	0.33%	Yes
AllianceBernstein LP ⁽¹⁾	Municipal - Tax Aware (High Bracket) Multi-Strategy	0.33%	Yes
Appleton Partners, Inc. ⁽¹⁾	Municipal - Intermediate Maturity	0.22%	Yes
Appleton Partners, Inc. ⁽¹⁾	Municipal - Limited Maturity	0.22%	Yes
BlackRock Investment Management, LLC ⁽¹⁾	Municipal - Long Maturity	0.22%	Yes
Breckenridge Capital Advisors, Inc. ⁽¹⁾	Municipal - Intermediate Maturity	0.18%	Yes
Eaton Vance Management ⁽¹⁾	Municipal - Limited Maturity	0.22%	Yes
Eaton Vance Management ⁽¹⁾	Municipal - Multi-Strategy	0.35%	Yes
Eaton Vance Management ⁽¹⁾	Municipal - Intermediate Maturity	0.22%	Yes
Eaton Vance Management ⁽¹⁾	Municipal - Long Maturity	0.22%	Yes
Eaton Vance Management ⁽¹⁾	Municipal - Laddered A-and Above 1-8 Yrs	0.16%	Yes
Eaton Vance Management ⁽¹⁾	Municipal - Laddered A-and Above 1-14 Yrs	0.16%	Yes
Eaton Vance Management ⁽¹⁾	Municipal - Laddered A-and Above 5-15 Yrs	0.16%	Yes
Eaton Vance Management ⁽¹⁾	Municipal - Laddered A-and Above 10-20 Yrs	0.16%	Yes
Eaton Vance Management ⁽¹⁾	Municipal - Laddered 1-8 Yrs	0.16%	Yes
Eaton Vance Management ⁽¹⁾	Municipal - Laddered 1-14 Yrs	0.16%	Yes
Eaton Vance Management ⁽¹⁾	Municipal - Laddered 5-15 Yrs	0.16%	Yes
Eaton Vance Management ⁽¹⁾	Municipal - Laddered 10-20 Yrs	0.16%	Yes
Eaton Vance Management ⁽¹⁾	Municipal - TABS Multi-Strategy (Long)	0.35%	Yes
Eaton Vance Management ⁽¹⁾	Municipal - TABS Multi-Strategy (Interm)	0.35%	Yes
Eaton Vance Management ⁽¹⁾	Municipal - TABS Multi-Strategy (Limited)	0.35%	Yes
Franklin Templeton Investments ⁽¹⁾	Municipal- Intermediate	0.22%	Yes
Franklin Templeton Investments ⁽¹⁾	Municipal - Multi-Strategy	0.35%	Yes
Gannett Welsh & Kotler, LLC ⁽¹⁾	Municipal - Intermediate Maturity	0.22%	Yes
Gannett Welsh & Kotler, LLC ⁽¹⁾	Municipal - Multi-Strategy	0.35%	Yes

STYLE MANAGER	STRATEGY	STYLE MANAGER EXPENSE RATE	AVAILABLE AS A STAND ALONE STYLE MANAGER STRATEGY (YES/NO)
JP Morgan Asset Management ⁽¹⁾	Municipal - Multi-Strategy	0.35%	Yes
Lord, Abnett & Co. LLC ⁽¹⁾	Municipal - Long Maturity	0.22%	Yes
Lord, Abnett & Co. LLC ⁽¹⁾	Municipal - Intermediate Maturity	0.22%	Yes
McDonnell Investment Management, LLC ⁽¹⁾	Municipal - Intermediate Maturity	0.20%	Yes
Neuberger Berman LLC ⁽¹⁾	Municipal - Intermediate Maturity	0.22%	Yes
Neuberger Berman LLC ⁽¹⁾	Municipal - Limited Maturity	0.22%	Yes
Nuveen Asset Management, LLC ⁽¹⁾	Municipal - Intermediate Maturity	0.22%	Yes
Nuveen Asset Management, LLC ⁽¹⁾	Municipal - Multi-Strategy	0.35%	Yes
Nuveen Asset Management, LLC ⁽¹⁾	Municipal - Limited Maturity	0.22%	Yes
Wasmer, Schroeder & Company, Inc. ⁽¹⁾	Municipal - Intermediate Maturity	0.22%	Yes
Western Asset Management ⁽¹⁾	Municipal - Intermediate Maturity	0.22%	Yes
BONDS - TAXABLE:			
BlackRock Investment Management, LLC	Taxable - Multi-Strategy	0.35%	No
BlackRock Investment Management, LLC	Taxable - Limited Maturity	0.35%	Yes
BlackRock Investment Management, LLC	Taxable - Multi-Strategy	0.35%	Yes
BlackRock Investment Management, LLC	Taxable - Multi-Strategy	0.35%	Yes
BlackRock Investment Management, LLC	Taxable - Limited Maturity	0.35%	No
Bradford & Marzec, LLC ⁽¹⁾	Taxable - High Yield	0.30%	Yes
ING Investment Management ⁽¹⁾	Taxable - Intermediate Maturity	0.22%	Yes
ING Investment Management ⁽¹⁾	Taxable - Multi-Strategy	0.35%	Yes
Loomis, Sayles & Co., LP/Natixis-AMA ⁽¹⁾	Taxable - Multi-Strategy	0.35%	Yes
Lord, Abnett & Co. LLC ⁽²⁾	Taxable - Government	0.22%	Yes
Lord, Abnett & Co. LLC ⁽²⁾	Taxable - Limited Maturity	0.22%	Yes
Neuberger Berman LLC ⁽²⁾	Taxable - Core	0.22%	Yes
Neuberger Berman LLC ⁽²⁾	Taxable - Limited Maturity	0.22%	Yes
Neuberger Berman LLC ⁽²⁾	Taxable - Intermediate Maturity	0.22%	Yes
PIMCO/Allianz Global Investors ⁽²⁾	Taxable - Real Return	0.35%	Yes
PIMCO/Allianz Global Investors ⁽²⁾	Taxable - Total Return	0.35%	Yes
Seix Investment Advisors LLC ⁽¹⁾	Taxable - Core	0.22%	Yes
Seix Investment Advisors LLC ⁽¹⁾	Taxable - Intermediate Maturity	0.22%	Yes
Seix Investment Advisors LLC ⁽¹⁾	Taxable - High Yield	0.29%	Yes
Wasmer, Schroeder & Company, Inc. ⁽¹⁾	Taxable - Intermediate Maturity	0.25%	Yes
Western Asset Management/Legg Mason ⁽²⁾	Taxable - Multi-Strategy	0.35%	Yes
Western Asset Management/Legg Mason ⁽²⁾	Taxable - Multi-Strategy Core Plus	0.35%	Yes
BONDS - PREFERRED:			
Cohen & Steers Capital Management, Inc. ⁽²⁾	Preferreds	0.25%	Yes
Spectrum Asset Management, Inc. ⁽²⁾	Preferreds	0.25%	Yes

1 = Discretionary Manager that has investment and trading discretion.

2 = Discretionary Manager with the authority to place orders for particular (but not all) transactions.

3 = Balanced Style expense rate shown is the maximum possible payable rate using the higher of the component equity and fixed income expense rates; the actual expense rate may be lower.

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