

Merrill Lynch Managed Account Service®

WRAP FEE PROGRAM BROCHURE

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

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Additional information about Merrill Lynch also is available on the SEC's website at www.adviserinfo.sec.gov/IAPD.

March 26, 2018

Investment products:

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

On March 27, 2017, Merrill Lynch filed its last annual update for its Merrill Lynch Managed Account Service® brochure ("Brochure" or "Disclosure Statement"). Set forth below is a summary of the material changes to this Brochure since that date. This summary of material changes is designed to make clients aware of information that has changed since the Brochure's last annual update and that may be important to them. The material changes summarized below were also incorporated within this Brochure. Capitalized terms that are not defined in this Brochure have the meanings provided in the Glossary.

BELOW ARE MATERIAL CHANGES MADE TO THE BROCHURE AS PART OF AN UPDATE ON OR ABOUT MARCH 26, 2018.

- We have updated the "Funding and Operation of MAS Accounts – Retirement Accounts" section to state that, effective June 9, 2017, MAS was generally closed for new enrollments by Retirement Accounts.

Certain Enhancements made to the Brochure as part of updates on or about March 26, 2018.

We periodically review the Brochure disclosures and enhance existing disclosures about the Program, its Services and other important information. We have made the enhancements and clarifications outlined below. We encourage you to review text of these enhanced disclosures in this Brochure.

- We have added and clarified information about Investment Managers that may execute all or a portion of their trades through Unaffiliated Investment Firms. Please refer to "Funding and Operation of MAS Accounts – Trading in MAS Accounts" and "Account Fees – Other Fees and Expenses."
- We have included additional information about the effect of federal margin rule requirements on certain Program Account trading activity and the related risks. Please refer to "Funding and Operation of MAS Accounts – Custodial Arrangements."



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SERVICES, FEES AND COMPENSATION

Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch” or “MLPF&S”) is an indirect wholly-owned subsidiary of Bank of America. Capitalized terms that are not defined in this Brochure have the meanings provided in the Glossary. For purposes of this Brochure, “you” and “your” refer to the client. “We,” “us,” and “our” refer to Merrill Lynch.

DESCRIPTION OF MAS

This Brochure relates to the Merrill Lynch Managed Account Service® (“MAS” or “Program”), an investment advisory and brokerage service offered by Merrill Lynch. This Brochure also contains important information relating to clients’ responsibilities for their accounts, certain conflicts of interest involved with the services offered, and other matters. You should read this Brochure carefully when deciding whether the services are appropriate for you, and ask your Financial Advisor any questions you may have.

In MAS, you select one or more investment managers (each, an “Investment Manager”). You then instruct us to accept orders from your Investment Manager for one or more of your MAS accounts (each an “Account”). Importantly, we will not have discretionary authority over the assets in your Account.

You have sole discretion in the selection of your Investment Managers and Strategies, and, except as described below, we have not and will not evaluate any Investment Manager or your Investment Manager’s investment style or Strategy for compatibility or suitability with your objectives. Further, we do not and will not conduct any due diligence on, or ongoing monitoring of, any Investment Managers.

To open an Account, you must enter into an investment advisory agreement with us (the “Client Agreement”) and designate your Investment Manager. You must also complete documentation for your underlying Merrill Lynch securities account that provides us with information regarding your overall circumstances, financial goals and risk profile, as well as your Account’s investment objective and other important information with respect to your Account (the “Underlying Account Documentation”). Because we may rely on the information furnished in the Underlying Account Documentation to advise you with respect to your Account, it is important that you understand and represent in the Client Agreement that the information furnished therein is accurate and complete in all material respects and that you will promptly notify your Financial Advisor of any material changes. If you select certain types of Investment Managers, you will be required to execute additional documentation, as described more fully in the section *Investment Managers* below.

We want you to know a few things up front about MAS, including:

- You enter into a Client Agreement with Merrill Lynch for the services you receive;
- As described in greater detail below, you agree to pay Merrill Lynch an annual asset-based fee (“Merrill Lynch Fee”) for your Account that is negotiable depending upon a number of factors;
- You will need to enter into a separate agreement with your selected Investment Manager;
- Your Investment Manager will charge you a separate advisory fee for its services; and
- Your Investment Manager is exclusively responsible for the management of your assets.

The scope of any investment advisory relationship we have with you is defined in the Client Agreement you sign for MAS. When you are enrolled in MAS, we act as your investment adviser only for your Account and not any other assets or accounts, unless otherwise separately agreed to by us in writing. Our MAS advisory relationship begins when we enter into the Client Agreement with you, which occurs at the later of the date of acceptance of the signed Client Agreement by us or the date you have contributed assets in the Account.



Preliminary discussions or recommendations before we enter into the Client Agreement with you are not intended as investment advice and should not be relied on as such.

In addition to MAS, Merrill Lynch offers a wide variety of investment advisory services. These include but are not limited to, the Merrill Lynch Investment Advisory Program (“ML IAP”) and Merrill Lynch Strategic Portfolio Advisor® Service which also involves the client entering into a separate agreement with the managers for discretionary management services. There are important differences among MAS, ML IAP and SPA in terms of the involvement of your Financial Advisor in providing ongoing advice, the services, structure and administration, the depth of research conducted on the managers available in the programs and the applicable fees. You may request a copy of these programs’ materials by contacting your Financial Advisor.

OVERVIEW OF MAS SERVICES

As described more fully below, we execute securities transactions upon the instructions of your Investment Manager. We also provide clearance and settlement of transactions, custody of Account assets, and additional services provided to all our clients with assets held by us as a custodian. These services also include:

- Automatic sweep of cash in your Account (whether held in your Account for temporary reasons or as part of an asset allocation strategy) into an affiliated bank deposit account, money market mutual fund (or other options available at the time), if a sweep option is available with your underlying securities account;
- Margin facilities;
- Periodic performance reports (“Performance Reports”); and
- The ability to receive periodic (as opposed to trade-by-trade) confirmation delivery and the ability to direct your Investment Manager to vote proxies and receive other issuer-related materials such as annual and quarterly reports.

INVESTMENT MANAGERS

We designed MAS to accommodate your selection of an Investment Manager or Strategy of an Investment Manager that is not currently available in a Merrill Lynch investment advisory program to exercise discretion and provide investment advice in a Merrill Lynch securities account. You should understand you assume important responsibilities regarding your Investment Manager. You are solely responsible for negotiating your agreements with your Investment Managers, and neither Merrill Lynch nor our Financial Advisors will participate or advise you regarding the terms of such agreements, the advisability of entering into such agreements, or of continuing the retention of your Investment Manager. We strongly encourage you to contact your Investment Manager on a periodic basis to:

- Discuss your Account and its investment performance;
- Review your Investment Manager’s philosophy and style of management (so that you may determine the ongoing compatibility of your Investment Manager to your level of risk tolerance);
- Discuss any restrictions you may wish to impose or modify on your Account;
- Request information regarding conflicts of interest between you and your Investment Manager; and
- Receive a current copy of your Investment Manager’s Form ADV filing and/or brochure for review.



We also suggest that you periodically check the registration status and other information regarding your Investment Manager, including disciplinary events, at the SEC's website.: www.adviserinfo.sec.gov.

You assume responsibility for monitoring your Investment Manager's performance. We will not:

- Perform any ongoing due diligence review with respect to your Investment Manager;
- Make any representation concerning your Investment Manager's abilities or qualifications as an investment adviser;
- Bear responsibility for the services rendered, for information provided, or for any recommendations made by your Investment Manager with respect to your Account;
- Endorse, recommend or otherwise suggest that your Investment Manager will make suitable investment decisions for you; nor
- Undertake to investigate or monitor the suitability of your Investment Manager's investment decisions.

Your Investment Manager may have certain conflicts of interest, which we and our affiliates or your Financial Advisor may not be aware of and are under no obligation to investigate. We encouraged you to speak with your Investment Manager to discuss any questions that you may have about existing or potential conflicts of interest relating to your Investment Manager. We note that certain Investment Managers may be Related Managers and your ability to use Related Managers as part of MAS presents potential conflicts of interest for the Related Manager and us. We discuss these conflicts in the section entitled *Portfolio Manager Selection and Evaluation - Related Persons*.

MARGIN, UNCOVERED OPTIONS AND SHORT SALES STRATEGIES

In certain circumstances, your Investment Manager may employ margin, write uncovered options and/or sell securities short (collectively, "Options and Margin Strategies"). As disclosed in the securities account documentation you execute allowing the use of margin in your Account, if your Investment Manager uses margin to purchase securities, our collateral for the loan will be the securities purchased for your Account and any other accounts you maintain at Merrill Lynch. You should read this documentation carefully. If the securities in a margin account decline in value, so does the value of the collateral supporting the margin loan, and, as a result we can take actions, such as issuing a margin call or selling securities or other assets maintained at Merrill Lynch in order to maintain the required equity in the account. Overall, margin increases the losses you would sustain, as compared to an unleveraged Account, in declining markets that negatively affect the value of securities bought on margin. You assume full responsibility for your Investment Manager using margin to buy securities. If you determine that you no longer want your Investment Manager to use margin in your Account, you are responsible for notifying your Investment Manager of such determination. We are not responsible for any losses resulting from Investment Manager's failure or delay in implementing such instructions. You may also discontinue use of margin in your Account according to the terms of the Margin Agreement. If you terminate the Margin Agreement, you are responsible for notifying your Investment Manager of such termination. We are not responsible for notifying your Investment Manager of the termination of the Margin Agreement or for any losses resulting from your failure to so notify your Investment Manager.

In certain circumstances, your Investment Manager may write uncovered options and sell stock short in your Account. If you permit your Investment Manager to write uncovered options, 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 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 your Investment Manager writes combination or straddle options (where your Investment Manager writes both a put and a call option on the same underlying instrument), your potential risk of loss is unlimited. Further, if a secondary market in options were to become unavailable, your Investment Manager could not engage in a closing transaction and you would remain obligated until expiration or assignment. To engage in options transactions, you need to execute an option account agreement and, under the terms of that agreement, if you do not meet applicable margin payment requirements, we may liquidate stock, options or other account positions in your Account, with little or no prior notice to you.

Selling stock short raises similar risks as writing uncovered call options and you will assume similar risks of loss.

The costs, risks and other features and conditions of margin and short sales are more fully described in the brokerage documentation authorizing the use of Options and Margin Strategies in your Account.

REASONABLE INVESTMENT RESTRICTIONS

You may impose reasonable investment restrictions on your Accounts, but you must communicate such restrictions directly to your Investment Manager. It is your responsibility to monitor such investment restrictions, review such investment restrictions with your Investment Manager, and advise the Investment Manager of any discrepancies or modifications to such restrictions. You should understand that your Investment Manager, not Merrill Lynch, will be responsible for complying with your restrictions, if any, and we and your Financial Advisor shall not be responsible for implementing or monitoring your restrictions. For more information on investment restrictions, please see the section *Risk and Tax Disclosure* below. If you have selected to restrict investments in your Account, you accept any effect such restrictions may have on the investment performance and/or diversification of the Account.

RISK AND TAX DISCLOSURE

By enrolling in MAS, you need to be aware of, and be willing to assume, the risks involved with investing in securities and other investment products, and you could lose all or a portion of the amount invested. You also need to understand that all investments involve risk (the amount of which may vary significantly), that investment performance cannot be predicted or guaranteed, and that the value of your Account holdings will fluctuate due to market conditions and other factors.

You should read the prospectus or disclosure document, as applicable, for any security or investment product in which your Investment Manager invests, which contains important information about risk factors relating to the security or investment product.

Any benchmarks referred to in connection with your Account and included in any Performance Report are not assurances or guarantees of the performance of any investments in or of your Account. Market movements, the investment decisions of your Investment Manager, and other factors may result in significant differences between the performance of Account assets and any investment objectives made known to us. You acknowledge that the investments made and the actions taken for your Account will be subject to various market, liquidity, currency, economic and political risks, and may decline in value. You further acknowledge that we do not assume responsibility for or endorse the investment decisions made by your Investment Manager, which may involve additional and significant risks.

MAS has been designed to accommodate your selection of your Investment Manager. By deciding to allow your Investment Manager to give investment directions to us, you assume the risks associated with your Investment Manager's investment decisions. (See the section *Investment Managers* above.) Accordingly, if your Investment Manager assembles a Concentrated Position in your Account, you assume the risk of a



substantial loss in value to the entire Account if there is a decline in the Concentrated Position or industry sector. Similarly, if your Investment Manager effects trades in securities that we do not follow or for which we have a contrary recommendation, you do so at your own risk. Moreover, if your Investment Manager chooses to make use of margin to effect transactions in your Account, you assume the risk associated with margin transactions, including that losses in the value of an asset purchased on margin are magnified as a result of the use of borrowed money. Generally, we believe that these investment styles add risk to a portfolio that you should not assume unless you are prepared to experience significant losses in the value of your Account. Ultimately, as between you and us, you bear the risk of all of these decisions.

If your Investment Manager uses Concentrated Positions, you assume additional risk, including:

- You may incur substantial losses in your Account based upon the loss in value of a single security or industry sector; and
- A large Concentrated Position may substantially impact your Investment Manager's ability to diversify your Account.

If your Investment Manager uses a Margin Strategy, you assume additional risk, including:

- You can lose more funds than amounts deposited in margin accounts;
- We can force the sale of securities or other assets in your Merrill Lynch account(s);
- We can sell your securities and other assets without contacting you;
- You are not entitled to choose which securities or other assets in the Account are to be liquidated or sold to meet margin calls;
- We can increase our "house" maintenance margin requirements at any time without 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, you will remain liable for the outstanding debt.

If your Investment Manager writes uncovered options, you assume additional risk, including:

- You will be exposed to potentially significant losses;
- If your Investment Manager writes an uncovered 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;
- If your Investment Manager writes an uncovered put option, you bear the risk of loss if the value of the underlying instrument declines below the exercise price;
- If your Investment Manager writes 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, your Investment Manager could not engage in a closing transaction and you would remain obligated until expiration or assignment; and
- In accordance with the option account agreement, if you do not meet applicable margin payment requirements, we may liquidate stock, options or other positions in your Account, with little or no prior notice to you.



Please note that short selling stock has similar risks as those described above regarding writing uncovered call options and you will assume similar risks of loss.

You acknowledge that your Investment Manager may sell all or a portion of the securities in your Account, either initially or during the course of your participation in MAS. You are responsible for all tax liabilities arising from these transactions. We and your Financial Advisor will not offer tax advice to you on any such issues. You are strongly encouraged to seek the advice of a qualified tax professional. In addition, if you are not a resident of the United States, you assume the adverse tax consequences.

We will not be responsible for making any tax credit or similar claim or any legal filing (including, but not limited to, proofs of claim) on your behalf.

FUNDING AND OPERATION OF MAS ACCOUNTS

FUNDING, WITHDRAWALS AND ADDITION OF ASSETS IN MAS ACCOUNTS

You are responsible for notifying your Investment Manager of any deposits made into your Account and instructing your Investment Manager to liquidate positions in the event you wish to withdraw assets from your Account. We have no responsibility to invest cash deposits (other than cash sweeps described below) or liquidate positions for withdrawal, tax purposes or for other situations, nor do we have responsibility for any losses that may result from your failure to notify your Investment Manager. Unless otherwise agreed, your Account will be credited with any dividends, interest and principal paid on assets held in your Account.

FUNDING ACCOUNTS

You may fund your Account with cash, securities and/or shares of open-ended mutual funds acceptable to us. You should consider all relevant factors before contributing mutual fund shares to your Account, including the fact that:

- Your Investment Manager may not be able to purchase additional shares of that or any mutual fund in your Account (as described below);
- You may have paid a front-end sales charge or may be subject to CDSC or redemption fees; and
- Such sales charges and fees, if applicable, will remain your responsibility and will be in addition to your Merrill Lynch Fee. If you contribute mutual fund shares to your Account, you must have held such mutual fund shares for at least sixty (60) days or purchased such mutual fund shares at net asset value.

Clients should understand that upon their account enrollment in the MAS program, the following services will not be available for that Account: Checks, Visa® debit cards, web bill pay, online client orders, and systematic withdrawal services such as Move Money®/funds transfer disbursements. Similarly, the enrollment of an account in AIPS will be suspended during your participation in MAS, except to the extent that you have authorized the automatic transfer of cash into the Account. Additional assets contributed through AIPS will be invested at your Investment Manager's discretion.

RETIREMENT ACCOUNTS



Effective June 9, 2017, MAS was generally closed to new enrollments by Retirement Accounts. If you are an existing Retirement Account client, you should understand that our services described herein are offered in order to assist plan fiduciaries as they carry out their investment-related responsibilities and are not intended to be a basis for decisions related to your Account. Moreover, these services should not substitute for or diminish the careful deliberation and determination of your plan fiduciaries, after appropriate consultation with other professional advisers and the review of relevant plan documentation.

CUSTODIAL ARRANGEMENTS

Generally, Merrill Lynch will act as the custodian for the assets held in your Account. Assets will be maintained in one or more central asset accounts established at Merrill Lynch through the applicable securities account. Pursuant to the Client Agreement, you have agreed to execute the Underlying Account Documentation. As a broker-dealer, Merrill Lynch is responsible for compliance with federal margin rules. Except where margin has been specifically permitted for certain Strategies, Accounts in the Program are set up as cash Accounts. This account notation means that margin is not permitted and purchase of securities must be fully paid for on the date of the trade. With a cash Account, if securities are sold before the payment for their purchase has settled, an event known as a “free-riding violation” has occurred. Free-riding is prohibited under margin rules and our Program guidelines. Having a “free-riding” violation may result in your Account being restricted for 90 days or “frozen.” The imposition of such a freeze could have a negative effect on your Account and performance. The risk of engaging in an inadvertent “free-riding” violation and therefore freezing of your Account is enhanced (1) when you change Investment Managers and reconstitute your investments; (2) when you engage in periodic rebalancing (which results in purchases and sales of securities over a short period of time); or (3) when you withdraw cash from your Account when there is a pending order to purchase a security.

In limited circumstances and with our consent, you may use a custodian that is not Merrill Lynch or a Related Company (an “Unrelated Custodian”) to hold your assets in the Program. Our rights and authority respecting your assets enrolled in the Program, including as to transfers of assets held with the Unrelated Custodian, are limited to those set forth in the Client Agreement, regardless of any separate agreements or arrangements you may have or enter into with the Unrelated Custodian. We disclaim any broader rights that may be contained in your separate agreement with the Unrelated Custodian.

You will be responsible for all related custodial fees and expenses; these would not be covered by the Merrill Lynch Fee. Cash held with an Unrelated Custodian will not be subject to the same sweep arrangements you receive where MLPF&S is the custodian, but we will include such cash positions in the value of your Account for the calculation of the Merrill Lynch Fee.

You will be responsible for ensuring that we (and all vendors used by us) are provided with daily access to the Unaffiliated Custodian's systems, transaction and account data and other information necessary to provide adequate account supervision, transaction, billing and other client reports and other necessary services to your Accounts. You understand that as a result of your use of an Unaffiliated Custodian, you may receive more limited information and reporting, including performance reporting, when we cannot obtain certain required information from the Unaffiliated Custodian.

Furthermore, the performance reports we provide for your Account will be based upon information provided by the Unrelated Custodian, which we will use for purposes of calculating the Merrill Lynch Fee. We will not be responsible for verifying the accuracy of such information or any losses or errors by an Unrelated Custodian with respect to your Account. You have agreed to promptly notify your Investment Manager with respect to any additions of assets to your Account maintained at the Unrelated Custodian and have agreed that we will not be responsible or liable for any losses due to your failure to provide such prompt notification. Any assets held in your Account must be free from any lien, charge or other encumbrance.



(other than a lien, charge or other encumbrance in favor of us or our affiliates). Such assets must remain so, unless you notify us and we agree. You must notify us in writing prior to effecting loans secured by securities in your Account (including loans by our affiliates) as described below (commonly referred to as “collateralizing”). You understand that we will not provide advice on or oversee any of your collateral arrangements. 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 Account must be held as collateral to secure your loan. You should be aware of the adverse effects of collateralizing Accounts, including, but not limited to, the fact that the lending institution may require additional collateral or liquidation of securities held in your Account 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.

LOANS AND COLLATERAL

Your Account assets may be “pledged” or used as collateral, with our 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 of us. 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 in this Brochure. 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 investable assets. A collateral call could disrupt your selected Investment Manager’s investment strategy for the Account. You, your Financial Advisor or your selected Investment Manager may not be provided with prior notice of a liquidation of the securities in your pledged Account. You, your Financial Advisor and your selected Investment Manager may not 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 Merrill Lynch Fee and may result in additional compensation to us, our affiliate(s) and our Financial Advisors. You should consult with your own independent tax advisor in order to fully understand the tax implications associated with pledging your Account as loan collateral and the potential liquidation of pledged assets. You are encouraged to speak with your Financial 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.

INVESTMENTS 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. Neither your Financial Advisor nor Merrill Lynch can make the sweep option election for you. Cash balances in Accounts with Unrelated Custodians will not be subject to these sweep arrangements. The sweep will not take effect and therefore your cash will not be deposited/invested in the selected sweep option until Merrill Lynch has on file a signed securities account agreement. We reserve the right to terminate you from the Program if we do not have a signed securities brokerage account agreement on file with Merrill Lynch.



You may elect a “no sweep” option for the cash balances held in your Account and your cash balances will remain in your Account and will not be swept. If you make this selection, you will not earn interest or dividends on cash balances held in your Account. You will be charged the Merrill Lynch Fee on the cash held in your Account even though you are not earning any interest or dividends on that cash. Your Investment Manager does not have the discretion to select the sweep investment.

Depending upon the type of securities account that you establish, cash balances will be swept to BANA and other banks related to us, money market mutual funds or to other cash sweep options we make available. With certain account types, only certain sweep options are available and they may not be any of these types.

The applicable terms of the available sweep options are described in the disclosures that you received in connection with the underlying Merrill Lynch securities account for your Account, and are also available from your Financial Advisor.

TRADING IN MAS ACCOUNTS

Your trades are generally placed by, and are the responsibility of, your chosen Investment Manager to whom you have granted the discretionary authority to determine (subject to your investment objectives and constraints) the securities to be bought or sold on your behalf, the amount of such securities, and the brokers or dealers to be used in such transactions.

The Investment Manager you select is obligated, absent your direction to the contrary, to effect transactions with or through those brokers or dealers that, in the Investment Manager's view, are capable of providing best price and execution of orders for your benefit.

If the Investment Manager determines to execute a purchase or sale of any security for your Account through a broker or dealer other than us, any resulting execution charges will be separately charged to that Account. A transaction that the Investment Manager has placed through an Unaffiliated Investment Firm for a particular Investment Manager Strategy is commonly referred to as a “step out” or “step out trade”. In selecting a firm to execute transactions and the markets on or in which the transactions will be executed, the Investment 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 step out trade. Each Investment Manager is responsible for ensuring that it complies with its own best execution obligations.

Certain Investment Managers have historically executed all or a portion of their trades as “step outs”. Frequently, these trades have been for fixed-income, foreign or small cap securities or strategies for which a markup or markdown is charged by the executing broker-dealer. Because of our execution capabilities and because the Merrill Lynch Fee you pay cover transaction charges only when transactions are executed through us, we expect that your transactions will generally be executed through a broker or dealer other than us only when required by applicable law or your Investment Manager placing the transaction reasonably believes, in good faith, that such other broker-dealer will provide better price and execution, net of any additional resulting transaction costs which will be charged to your Account when transactions are effected through a broker or dealer other than us.

The cost advantage associated with using us to execute trades for your Account is expected to alter the way in which each Investment Manager satisfies his or her duty to seek best execution. That said, Investment Managers may utilize execution services of broker-dealers other than us. Merrill Lynch Fees do not cover transaction charges or other charges, including markups and markdowns, resulting from trades effected through or with a broker-dealer other than Merrill Lynch. See also “Other Fees and Expenses”



We and our affiliates will ordinarily act as agent in executing transactions on behalf of MAS clients. Principal transactions may also be effected for MAS clients under the appropriate circumstances as permitted by law. Principal transactions may be subject to a dealer spread (*i.e.*, the difference between the bid and the offer price), which may result in additional compensation or other benefit to us. Transactions in securities customarily traded in dealer markets (such as fixed-income or over-the-counter securities) that are purchased from or sold to broker-dealers other than us may include markups or markdowns by these firms.

In accordance with the instructions of your Investment Manager and your authorization, our execution services (or those of an affiliated broker-dealer) will generally be used for the purchase and sale of securities for MAS, unless you designate another broker-dealer or applicable law is to the contrary. However, in buying or selling certain securities (particularly those that customarily trade in "dealer markets"), we may, for legal or other reasons, cause such transactions to be effected through a bank, broker or dealer that is not affiliated with us ("Unaffiliated Investment Firm"). When we select an Unaffiliated Investment Firm to execute transactions, we 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 broker-dealer;
- 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 your securities transactions.

Merrill Lynch Fees do not cover transaction charges or other charges, including markups and markdowns, resulting from trades effected through or with a broker-dealer other than us or our affiliates. In addition, Merrill Lynch Fees do not cover transaction and other charges incurred by Funds held in MAS Accounts. Purchases of securities from an underwriter or dealer in a distribution will be effected at the public offering price.

Your transactions are effected by us on the instruction of your selected Investment Manager. Accordingly, it should be understood that, for any and all transactions effected by or through us in an MAS Account at the direction of your Investment Manager, we are acting exclusively as a broker-dealer in relation to such transactions.

We and the MAS Investment Managers may, but are not required to, aggregate orders for the sale or purchase of securities for your Account with orders for the same security for our other clients, proprietary accounts or the accounts of our employees 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.

When we execute transactions in foreign ordinary securities 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, upon your written request, to determine or ascertain from the contra-party this remuneration in a given transaction for your Account. 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-conversion 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 Merrill Lynch Fee payable under the Client Agreement.

We and our affiliates may effect agency-cross transactions in which we or one of our affiliates acts as broker for the parties on both sides of the transactions involving MAS or other clients in accordance with applicable law. When effecting such crossing transactions, we or our affiliates may receive compensation (the amount of which may vary) from the other party to such transactions, which compensation from the other party would be in addition to the fees described herein. While such compensation, in theory, could create a potentially conflicting division of loyalties and responsibilities, transactions involving MAS are directed by your Investment Manager (which could be a Related Manager), and we will be acting solely as a broker-dealer in connection with such trades.

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 the client. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the client. In general, in instances where we are responsible for effecting the transaction, we may: (i) reimburse clients for any losses directly resulting from trade errors; (ii) credit to the client any profits directly resulting from such trade errors that are corrected after the settlement of the transaction; or (iii) retain any profits directly resulting from such trade errors that are corrected prior to the settlement of the transaction.

PROXY VOTING AND OTHER LEGAL MATTERS

Unless otherwise designated in the MAS Client Agreement or other writing addressed to us (or another custodian you select), you direct your Investment Manager for your Account to vote the proxies and receive other issuer-related material relating to the securities held in your Account, and you represent in the Client Agreement that, under any applicable instruments or governing law, you are authorized to make such direction. To the extent that we are the custodian and voting instructions are not received, we will comply with the rules and policies of the SEC and applicable self-regulatory organizations, consistent with our role as a non-discretionary custodian.

In addition, we do not advise or act for you regarding any legal matters, including bankruptcies and class action, pertaining to the securities held in your Account, nor will we be responsible for making any tax credit or similar claim or any legal filing (including, but not limited to proofs of claim) on your behalf. Unless otherwise agreed, we will send you any documents we receive for client distribution with regard to such matters.

As a broker-dealer, we use a third-party service provider for certain proxy-related functions, including processing and forwarding proxy and other issuer-related materials, and receive amounts collected by the vendor for the costs of these services as permitted by applicable securities regulation.

ACCOUNT FEES



You will be charged the Merrill Lynch Fee, payable quarterly in advance on all assets in your Account, including assets held by an Unrelated Custodian and assets purchased on margin or other extensions of credit by us or our affiliates. The Merrill Lynch Fee covers the services we render, including custodial, transaction, execution, quarterly performance reporting, and fees for other account-related services provided by us or our affiliates with respect to your Account. The Merrill Lynch Fee does not cover the services of Investment Managers. The full amount of the Merrill Lynch Fee payable under the Client Agreement will be charged in accordance with the terms of the Client Agreement, regardless of your use of any of the services offered under MAS or the amount of transactions your Investment Manager chooses to effect in your Account. Typically, the Merrill Lynch Fee is charged on the second Tuesday of January, April, July and October.

The Merrill Lynch Fee schedule is generally as follows:

Dollar Value of Assets in Each MAS Account	Annual Equity/Balanced/Convertible/REIT Maximum Fee Schedule	Annual Fixed-Income Maximum Fee Schedule
Up to \$1 million	1.80%	.65%
\$1,000,000 – 1,999,999	1.35%	.65%
\$2,000,000 – 4,999,999	1.35%	.50%
\$5,000,000 – 9,999,999	1.00%	.45%
\$10 million or greater	Determined by Mutual Agreement	Determined by Mutual Agreement

For purposes of determining whether a reduced Merrill Lynch Fee rate applies, we will consider the aggregate value and composition of assets in your Account(s). The Merrill Lynch Fee rate applicable to an Account will not change during a calendar quarter, and any decrease in the Merrill Lynch Fee rate will take effect at the beginning of the next calendar quarter.

You should note that any security purchased prior to enrolling in MAS and subsequently transferred into a MAS Account will be subject to the Merrill Lynch Fee. This means that you may pay both an up-front commission (when the security was purchased prior to enrolling in MAS) as well as a Merrill Lynch Fee (once enrolled in MAS) in connection with the purchase of the same security.

The Merrill Lynch Fee you pay may be negotiable depending on a number of factors. Such factors include, but are not limited to, the:

- Amount of your assets;
- Number and size of your related accounts maintained at Merrill Lynch and our affiliates;
- Range and extent of services provided or to be provided to you; and
- Financial Advisor assisting you.

The Merrill Lynch Fee that is negotiated is subject to change. Upon request, and at no charge, we will provide additional detailed information regarding your Merrill Lynch Fee. Please contact your Financial Advisor if you would like to receive this more detailed Merrill Lynch Fee information.

Other pricing arrangements, typically involving multiple accounts, products or services, may also be available to certain clients. While clients entering into such arrangements may pay higher fees for any particular component being offered, such as fees higher than those shown above for MAS, the pricing



arrangement as a whole will generally result either in the same or lower fees in aggregate for all the accounts, products or services provided or for the inclusion of additional products and services.

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

You should note that any security purchased prior to enrolling in MAS and subsequently transferred into a MAS Account may be subject to the Merrill Lynch Fee. This means that you may pay both an up-front commission (when the security was purchased prior to enrolling in MAS) as well as a Merrill Lynch Fee (once enrolled in MAS) on the transferred security.

CALCULATION OF ACCOUNT FEES

The Merrill Lynch Fee is based on the estimated value of your Account, including the full value of mutual fund shares used to fund your Account and any assets purchased on margin or other extensions of credit by us or our affiliates, whether in the custody of us or an Unrelated Custodian. Assets in our custody will be valued on a settlement-date basis as of the last business day of the previous calendar quarter, as we determine. Merrill Lynch will use a variety of pricing sources in calculating the value of the assets held in your Account, including Affiliates.

For the initial quarter, the Merrill Lynch Fee is calculated proportionally based upon the number of days left in such quarter from the effective date of the Client Agreement. The initial Merrill Lynch Fee is based on the estimated value of your Account as of the close of business on the day preceding the acceptance of your Account.

As indicated above, the Merrill Lynch Fee will be applied to all assets in your Account, including cash and certain cash equivalents, including assets in your bank deposit accounts(s) and money market fund shares. Cash balances in Accounts with Unrelated Custodians also will be included in the value of your Account for the calculation of the Merrill Lynch Fee. The Merrill Lynch Fee is in addition to other compensation that we will earn in connection with these assets. The Merrill Lynch Fee also is applied to mutual fund shares held in your Account, although additional shares of mutual funds may not be purchased in your Account. (See the section *Participation or Interest in Client Transactions – Funds and Related Investing*.) The Merrill Lynch Fee would not generally be charged on these assets if they were held in a commission-based brokerage account.

No Merrill Lynch Fee adjustment will be made for contributions or partial withdrawals, or for Account appreciation or depreciation, within a billing period.

The Account value used for the Merrill Lynch Fee calculation may differ from that shown on your securities account statement due to a variety of factors including: trade date or settlement date accounting, treatment of accrued income, round lot valuation and other considerations. It should be noted that the valuation of your securities reported in the Performance Report may be subject to occasional repricing in reasonable and appropriate circumstances, but such repricing will not affect, or result in the adjustment of, the previously calculated Merrill Lynch Fee.

DEDUCTION OF ACCOUNT FEES



As set forth in the Client Agreement, you may authorize us to deduct the Merrill Lynch Fee from your Account. We also may, for your convenience and if so agreed between you and your Investment Manager, deduct from your Account the advisory fee that you have agreed to pay your Investment Manager ("Investment Manager Fee"). We will remit your Investment Manager Fee to your Investment Manager. The Investment Manager Fee will be deducted in addition to, but after, the Merrill Lynch Fee payable to Merrill Lynch. You may also directly remit your Investment Manager Fee to your Investment Manager.

To the extent permitted by law, all assets in your Account or other assets held by Merrill Lynch or any affiliate for you will be subject to a lien for the discharge of your obligation to make timely payment to us, we may sell assets in your Account to satisfy this lien.

ABILITY TO OBTAIN THE MAS SERVICES SEPARATELY

You should be aware that the same or similar services and investments available through MAS, including Funds, may be obtained through other Merrill Lynch programs and/or services, on a separate or combined basis. These other Merrill Lynch programs may provide you with services and investments at rates that may be lower than the Merrill Lynch Fee payable under your Client Agreement.

In addition, a relationship with an Investment Manager also may be maintained in a commission-based brokerage account in which commission-based fees are charged on a per transaction basis. It is your responsibility to review these other account types and programs with your Financial Advisor to determine whether they are more appropriate for you than MAS or should be used in addition to MAS.

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

- Your preference for an advisory or brokerage relationship;
- Your preference for a discretionary or a non-discretionary relationship;
- Your preference for a fee-based or commission-based relationship;
- The types of investment products that are available in each program or service and their costs;
- Whether a particular investment Strategy as implemented by the Investment Manager in the Account is available through another Merrill Lynch program or service;
- How much trading activity the Investment Manager expects to take place in your Account;
- How much the Investment Manager is expected to allocate to cash;
- Whether the Investment Manager allocates assets to mutual funds and the current restriction on purchasing mutual funds in MAS;
- The frequency and type of client profiling reports, performance reporting and account reviews that are available in each program or service; and
- The scope of ancillary services that may be available to you in a brokerage account, but which are not available in an advisory program.

Further, the Merrill Lynch Fee may be higher or lower than the fees charged by other firms offering comparable services.

OTHER FEES AND EXPENSES



We want you to know that Merrill Lynch Fee does not cover:

- Management fees you pay to your selected Investment Manager (and set by such manager);
- Transaction charges on trades effected through or with an Unaffiliated Investment Firm (including on fixed-income or over-the-counter transactions in which we act as agent);
- Markups or markdowns by other broker-dealers (including on fixed-income or over-the-counter transactions in which we act as agent);
- Transfer taxes;
- Margin interest and fees and charges charged by us or third parties, that are imposed for any securities that are deemed “in demand” and such securities are the subject of an option strategy, long/short strategy or other margin or short sell strategy;
- Fees charged by us or third parties that are not affiliates in connection with short sale transactions;
- Any mutual fund redemption fees and contingent deferred sales charges for mutual fund shares contributed to your Account;
- Exchange, alternative trading system fees, required SEC fees or similar fees (such as for ADRs) charged by third parties, including issuers;
- Electronic fund, wire and other account transfer fees; and
- Any other charges imposed by law or otherwise agreed to with regard to your Account.

Among other services provided, we may effect transactions for any Funds, and any compensation paid to us by the Funds, or our affiliates, is in addition to the Merrill Lynch Fees. Due to the additional economic benefit to us when a MAS Account is invested in a Fund, a conflict of interest exists. For more information about other compensation we may receive in connection with MAS and from Investment Managers participating in MAS, see the section below *Client Referrals and Other Compensation - Other Compensation*.

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

The Merrill Lynch Fees do not cover charges (generally the dealer spread) imposed by Unaffiliated Investment Firms on step out trades as dealers, including where Merrill Lynch or its Affiliates act as agent in executing fixed income or over-the-counter transactions. Clients for which an Investment Manager places any fixed income, foreign or securities trades on an over-the-counter basis through Unaffiliated Investment Firms will not receive a discount from, or credit against, the Merrill Lynch Fee for any markup or mark-down imposed by the executing Unaffiliated Investment Firm. Neither the Merrill Lynch Fee nor the Investment Manager Fee covers these transaction execution costs. See “Funding and Operation of MAS Accounts – Trading in MAS Accounts” for more information on step out trades.

Additionally, any security purchased prior to enrolling in MAS and subsequently transferred into a MAS Account will be subject to the Merrill Lynch Fee. This means that you may pay both an up-front commission (when the security was purchased prior to enrolling in MAS) as well as a Merrill Lynch Fee (once enrolled in MAS) in connection with the purchase of the same security.



If your Investment Manager determines to execute a purchase or sale of any security for your Account through a broker or dealer other than us, any resulting execution charges will be separately charged to that Account.

MAS Accounts are generally not permitted to effect margin transactions. However, when so permitted, the margin interest you pay on debit balances is not included in the Merrill Lynch Fee. Financial Advisors may receive additional compensation in such circumstances as well as, in limited cases, from rights or tender offers.

MARGIN, UNCOVERED OPTIONS AND SHORT SALES STRATEGIES

If your Investment Manager uses Options and Margin Strategies, you will incur costs in addition to the Merrill Lynch Fee. Although you will be paid interest on the short market value of any securities sold short in your Account, Merrill Lynch will also benefit from these short sale positions. The rate of interest paid to you will be determined by Merrill Lynch in our sole discretion and will reflect the retention of compensation by us. In addition, you will be charged fees, as reflected on your Account statements, for any securities that are deemed by us to be “in demand” either at the time your Investment Manager sells such securities short or at any time before the short position is “closed out” by your Investment Manager.

Investment Managers that sell securities short will use cash generated from short sales to purchase additional securities, *i.e.*, leverage. If margin is used by your Investment Manager or if adverse market conditions trigger a margin call, you will pay interest pursuant to the Merrill Lynch Margin Lending Program Client Agreement (“Margin Agreement”).

LOANS AND COLLATERAL

If your Account assets are “pledged” or used as collateral, with our consent, in connection with loans obtained through a Lending Program, the costs associated with such a lending arrangement under a Lending Program are not included in the Merrill Lynch Fee and may result in additional compensation to us, our affiliate(s) and our Financial Advisors.

INVESTMENT OF CASH BALANCES

If cash balances are invested in a money market fund, assets held in such money market fund are subject to the Fund’s management, distribution, transfer agent, and other expenses. If cash balances are invested in a Related Money Market Fund, certain of these fees and expenses are payable to us or a Related Company, which may act in a variety of capacities. These fees and expenses are described in the applicable money market fund prospectus and are paid by the money market fund but are ultimately borne proportionately by each investor. These fees and expenses are in addition to, and will not reduce, the Merrill Lynch 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. We or our affiliate will receive compensation from BANA and any other of our related banks and from any participating depository institution,. Unless waived under applicable law, this compensation will be in addition to, and will not reduce, your Merrill Lynch Fees. The terms of the Merrill Lynch Bank Deposit Program, Insured Savings Account Program and Retirement Assets Savings Program or any other bank deposit program, as applicable, are described in the disclosures that you received in connection with the underlying Merrill Lynch securities account for your Account, and are also available from your Financial Advisor.



Due to the additional economic benefit that we or a Related Company receive from cash investments, a conflict of interest exists between us and you. However, at times, your Investment Manager (including, where applicable, Merrill Lynch) may believe that it is in your interest to maintain assets in cash, particularly for defensive purposes in volatile markets. Furthermore, there may be a conflict of interest between you and your Financial Advisor where you have elected the “no sweep” option for your cash balances. In such event, your Financial Advisor will continue to earn compensation related to the cash held in your Account even though you are not earning any interest or dividends on that cash. We or your Investment Manager will not be precluded by any of these conflicts from exercising our judgment in your best interest.

COMPENSATION FOR MAS

We, our affiliates and employees benefit from the fees and charges you pay for the services described in this Brochure. You may also use other products or services available from or through us and, in such case, pay additional compensation. Financial Advisors offering these services and providing ongoing assistance to you will, in turn, receive compensation from us.

Financial Advisors who assist you in enrolling in MAS receive a portion of the Merrill Lynch Fee. Since a Financial Advisor’s compensation is based on the total Merrill Lynch Fee charged to you, the Financial Advisor has a disincentive to reduce the Merrill Lynch Fee below a level that will negatively impact the Financial Advisor’s revenue on each account. The amount of compensation a Financial Advisor may receive from your enrollment in MAS may also be more or less than the compensation that the Financial Advisor might receive if you had instead participated in other programs offered by us or our affiliates or had purchased the services provided through MAS separately. If there is a difference in compensation, the Financial Advisor may or may not have a financial incentive to recommend you select MAS over other programs or services offered by us or our affiliates.

Further, separate and apart from MAS, Financial Advisors may assist you with your 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 and our Financial Advisors will receive the compensation that is usually associated with or generated by such products, services and transactions. This compensation may include commissions, markups, or markdowns, 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 (collectively, “Selling Broker Compensation”). To the extent that a Financial Advisor is a broker of record for the transaction, we and our Financial Advisors may receive Selling Broker Compensation associated for mutual funds that you purchase, including for purchases executed outside of us. You should 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 MAS. We encourage you to speak with your Financial Advisors at any time about any of these matters, including the extent to which the Selling Broker Compensation varies among share classes.

The MAS program may include Investment Managers that are Related Managers and Unrelated Managers. The selection of Related Managers results in increased compensation to us or an affiliate. Thus, we have a potential conflict of interest when recommending, selecting, monitoring and considering the removal or status change of Related Managers because we and our affiliates have an incentive to favor Related Managers over those whose selection might be expected to result in less total compensation to us and our affiliates.

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

**CLIENT ELIGIBILITY**

Investors eligible to participate in MAS include, but are not limited to, individuals, trust and estates (to the extent allowed by state law), charitable organizations, banks, corporations, or such other participants as we determine in our discretion and in accordance with applicable law.

ACCOUNT MINIMUMS

The minimum account size for a MAS Account generally is \$100,000, but we, in our discretion, may accept accounts less than \$100,000. You may fund your Account with cash, securities and/or shares of open-end mutual funds acceptable to us. When funding an Account with securities, however, you should bear in mind that your Investment Managers may decide to sell all or a substantial portion of such securities and that you will be responsible for any tax or other liabilities (such as CDSC on certain classes of mutual fund shares) resulting from such transactions.

CLOSING AN ACCOUNT AND/OR TERMINATING THE CLIENT AGREEMENT

The Client Agreement may be terminated at the direction of you or us as described in that agreement. Upon termination, we will refund any prepaid Merrill Lynch Fee on a pro rata basis as specified in the Client Agreement or as required by law. Termination of the MAS Client Agreement is separate from, and will have no automatic effect on, any agreement entered into between you and each selected Investment Manager, nor will it, in any case, affect or preclude the consummation of any transaction initiated prior to termination. You also have the responsibility to notify your Investment Manager of your decision to terminate the Client Agreement or terminate your agreement with your Investment Manager. You further understand that neither Merrill Lynch nor our Financial Advisors are responsible for notifying your Investment Manager of your decision to terminate the MAS Account or your agreement with your Investment Manager. Neither Merrill Lynch nor your Financial Advisor shall be responsible for any losses incurred by you as a result of your failure to notify the Financial Advisor of the termination of your agreement with the Investment Manager.

Should you desire to begin placing orders with the Financial Advisor for your Account, the Client Agreement may be terminated, and your Account may be converted to a commission-based brokerage account for which transaction-based fees would be charged. You will be responsible for notifying your Investment Manager of the termination of the Client Agreement, as described above. We reserve the right, in our sole discretion, to reject any transaction order from you.

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

PORTFOLIO MANAGER SELECTION AND EVALUATION**SELECTION OF INVESTMENT MANAGERS**

Selection of your Investment Managers is at your sole discretion, and, except as described below, we have not and will not evaluate any Investment Manager or your Investment Manager's Investment Style or Strategy for compatibility or suitability with your objectives. Generally, we do not authorize Investment Managers to make any statements pertaining to us, or any Investment Manager's participation in any Merrill Lynch service or program, including MAS. You represent and warrant that you have independently selected each Investment Manager and Investment Style and believe that each Investment Manager and



Investment Style is appropriate for your Accounts. You further represent and warrant that you have not asked for, received or relied upon our advice in making each selection.

We make no representations regarding the qualifications of your Investment Manager. We do not endorse, recommend or otherwise suggest that your Investment Manager will make suitable investment decisions for you. We do not undertake to investigate or monitor the suitability of your Investment Manager's investment decisions. To the extent that you become aware of investment decisions by your Investment Manager that are unsuitable for your Account, you should contact your Financial Advisor or your Investment Manager.

We do not specifically identify or select Investment Managers to participate in MAS, and we do not maintain a roster of approved MAS Investment Managers from which you may select. However, we may have, or may have in the past had, certain relationships or been affiliated with an Investment Manager, as described more fully below.

We do not calculate the performance of Investment Managers, and neither Merrill Lynch nor any third party reviews Investment Manager performance information to verify its accuracy or its compliance with presentation standards. Performance information may not be calculated on a uniform or consistent basis.

You are responsible for the continued review of your Accounts and the performance of your Investment Manager. We are not responsible for the investment decisions your Investment Manager makes. You are responsible for reviewing your Account performance in light of your Account's asset allocation and investment performance, and contacting your Investment Manager if they have questions or concerns. We do not assume responsibility for replacing or recommending the replacement of Investment Managers.

INVESTMENT MANAGERS

Most of your Investment Managers from which we receive investment directions in MAS are Unrelated Managers. However, certain Investment Managers may be, or have been in the past, Related Managers. The status as a Related Manager may create additional conflicts of interest. Unless otherwise noted in this Brochure, the services provided by us and your Financial Advisor to you will not be affected by the type of Investment Manager you have retained, and in MAS, we do not and will not conduct any due diligence on, or ongoing monitoring of, any Investment Managers.

In certain instances your Investment Manager may have referred clients to your Financial Advisor, or Merrill Lynch programs or services, including MAS. In these instances, a conflict of interest may exist between you and your Financial Advisor, Merrill Lynch and/or your Investment Manager. Please ask your Financial Advisor and/or Investment Manager for more information regarding Investment Manager referrals.

Referral-Arrangement Managers

In very limited instances, we have entered into contractual arrangements through which we are compensated for referring you to Referral-Arrangement Managers. If you have been introduced to such a Referral-Arrangement Manager, we will provide a written statement describing the terms of the arrangement and a copy of the Referral-Arrangement Manager's brochure.

You also will be required to sign an acknowledgement of your receipt of these materials. Because we are compensated for referring clients to Referral-Arrangement Managers, certain conflicts of interest exist that you should be aware of and consider before choosing a Referral-Arrangement Manager for MAS.

Legacy Managers

While we may have previously conducted due diligence or ongoing monitoring of Legacy Managers in the Previous Program, we are not responsible for conducting any due diligence or monitoring in MAS beyond



that described in this Brochure and the Client Agreement. You should not consider any prior statements that we or your Financial Advisor may have made concerning a Legacy Manager, including any written materials or Legacy Manager information distributed by us, when deciding whether or not to retain the services of a Legacy Manager.

RELATED PERSONS

The MAS program may allow you to use the services of Investment Managers that are Related Managers. The selection of a Related Manager results in increased compensation to us or an affiliate. Again, Merrill Lynch will not recommend and does not provide any due diligence on any Investment Manager, including Related Managers, in MAS.

Merrill Lynch will receive revenue and other economic benefits to the extent that assets in the Account are purchased on margin since the Merrill Lynch Fee is applied to all assets in the Account, including those that have been bought on margin, and also as a result of the imposition of margin interest. Related Managers therefore may have an incentive to use margin to purchase additional Account assets instead of selling an existing Account asset to buy new Account assets. The use of margin to buy additional Account assets keeps the total value of the Account, and the Merrill Lynch Fee imposed, more than it would otherwise be without the use of margin.

A Related Manager may also have an incentive to purchase or hold shares of a Related Fund. A Related Manager or its affiliates may receive investment management fees paid by Related Funds held in your Account. We may be deemed to receive an indirect benefit through the receipt of these fees by a Related Manager.

In addition, other Bank of America affiliates or divisions, such as U.S. Trust, Bank of America 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 us may be different from or conflict with the advice and recommendations provided to other affiliates. 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, we may recommend a specific Investment Manager for inclusion in a U.S. Trust program, but not a Merrill Lynch program.

MERRILL LYNCH AND CERTAIN AFFILIATES ACTING AS PORTFOLIO MANAGERS

Advisory Services Provided by Merrill Lynch and Certain Affiliates. Investment Managers, which may include Related Managers, are exclusively responsible for the management of client assets as described in the section *Services, Fees and Compensation*.

Tailored Investment Advice. As described in the section *Services, Fees and Compensation*, you will enter into a separate agreement with your selected Investment Manager, which may be a Related Manager, for the management of your assets. You may impose reasonable investment restrictions on your Account but must communicate such restrictions to your Investment Manager.

Wrap Fee Programs. Merrill Lynch acts as the wrap fee program sponsor and also acts as the portfolio manager in other wrap fee programs sponsored by us. We receive the Merrill Lynch Fee as described in this Brochure. Your Investment Manager, which may be a Related Manager, charges a separate management fee for services. 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.

Performance-Based Fees. The Program does not charge performance-based fees.

Methods of Analysis. As noted in the section *Portfolio Manager Selection and Evaluation*, selection of your Investment Manager is at your sole discretion, and, except as described in such section, we have not and will not evaluate any Investment Manager or your Investment Manager's investment style or strategy. You should understand that all investments involve risk (the amount of which may vary significantly), that investment performance can never be predicted or guaranteed and that the value of your Account will fluctuate due to market conditions and other factors.

Voting Client Securities. As described in the section *Funding and Operation of MAS Accounts - Proxy Voting and Other Legal Matters* unless otherwise designated in the Client Agreement or other writing addressed to us or another custodian you select, you direct your Investment Manager for each MAS Account to vote the proxies relating to the securities held in the MAS Account.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

As part of the enrollment process into MAS, you may need to provide information about your financial circumstances, investment objectives, risk tolerance and other relevant information relating to your Account. With certain exceptions, this information will not be provided to your Investment Manager.

You are obligated to notify your Financial Advisor promptly of any material change in financial circumstances, investment objectives or investment restrictions (if any) that may affect account management. You are notified periodically to emphasize the need for you to report such information. The management of your Account is the responsibility of your selected Investment Manager. Accordingly, you must also provide any such updated information directly to your Investment Manager, and neither Merrill Lynch nor our Financial Advisors have any obligation to communicate such information to your Investment Manager.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

We do not place any restrictions on your ability to contact and consult with your Investment Manager. Under MAS, you enter into an agreement with your Investment Manager and that agreement will discuss your ability to contact your Investment Manager.

ADDITIONAL INFORMATION

DISCIPLINARY INFORMATION

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

On June 16, 2014, MLPF&S, without admitting or denying the findings, entered into a FINRA settlement relating to its failure to have an adequate supervisory system to ensure that certain clients received sales charge waivers for purchases of certain mutual funds' Class A shares, which affected certain retirement accounts and certain clients with a particular type of brokerage account. This settlement resulted from



MLPF&S self-identifying certain of these issues. MLPF&S consented to the imposition of a censure and a fine of \$8 million and agreed to provide additional reimbursement to the agreed upon impacted clients. It has reimbursed all such impacted clients.

On June 21, 2012, MLPF&S, without admitting or denying the findings, entered into a FINRA settlement related to the following: (1) failure to have an adequate supervisory system around billing processes for certain investment advisory programs and, as a result, overcharging certain client accounts during the 2003-2011 time period (client accounts impacted were less than 5% of its total advisory accounts and the aggregate fee overcharge amount was less than one-half ($\frac{1}{2}$) of 1% (approximately \$32 million) of the total advisory fees billed during that period); (2) failure to send contemporaneous or periodic trade confirmations to certain client accounts for ten investment advisory programs; (3) having inaccurate or incomplete trade confirmations for certain mutual fund transactions by failing to state the trade capacity as agent or a principal on trade confirmations and account statements; (4) failure to deliver (directly or through a vendor) proxy materials to certain clients or to their designated investment advisers and failure to have an adequate supervisory system to detect this failure (clients impacted constituted less than 1% of its clients during the relevant period); and (5) failure to send margin risk disclosure statements and/or business continuity plans to certain clients upon the opening of their accounts (clients impacted were less than 1% of its clients during the relevant period). In determining the appropriate sanctions, FINRA considered MLPF&S' internal review through which it identified the violations, the remedial measures that it took to correct its systems and procedures, and its efforts to provide remediation to affected clients. MLPF&S consented to the imposition of a censure and a fine of \$2.8 million. All overcharged accounts were reimbursed.

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

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

On March 11, 2009, the SEC issued an order against MLPF&S alleging that, from 2002 to 2004, several of its financial advisors permitted day traders to hear confidential information regarding MLPF&S institutional customers' unexecuted orders as they were transmitted over the internal squawk box system. According to the SEC, MLPF&S lacked written policies or procedures to limit access to the equity squawk box, to track which employees had access to the equity squawk box or to monitor employees' use of the equity squawk box in violation of Section 15(f) of the Exchange Act and Section 204A of the Advisers Act. Without



admitting or denying the SEC's findings, MLPF&S consented to the entry of a cease and desist order as to violations of these provisions, a censure and the payment of a \$7 million civil money penalty. It was obligated to comply with certain undertakings regarding the enhancement of certain policies and procedures.

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

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

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Merrill Lynch, an indirect wholly-owned subsidiary of Bank of America, is a leading global investment banking firm and a registered broker-dealer, investment adviser and futures commission merchant. In the United States, Merrill Lynch acts as a broker (*i.e.*, agent) for corporate, institutional and governmental and private clients and as a dealer (*i.e.*, principal) in the purchase and sale of corporate securities, primarily equity and debt securities traded on exchanges or in the over-the-counter markets. Merrill Lynch also acts as a broker and/or a dealer in the purchase and sale of mutual funds, money market instruments, government securities, high-yield bonds, municipal securities, financial futures contracts, and options. The futures business and foreign exchange activities are conducted through Merrill Lynch and other affiliates. Merrill Lynch operates the firm's U.S. retail branch system, and also provides financing to clients, including margin lending and other extensions of credit as well as a wide variety of financial services, such as securities clearing, retirement services, and custodial services. In July 2015, Bank of America. announced a decision to separate the retail and institutional broker-dealer activities currently operating through MLPF&S into two distinct legal entities. Retail customers will continue to be serviced through MLPF&S, while institutional clients currently transacting through MLPF&S will move to a new broker-dealer entity, BofAML Securities, Inc., which is also a wholly-owned indirect subsidiary of Bank of America. This separation and migration of institutional broker-dealer activities to BofAML Securities, Inc. is subject to regulatory approvals and is intended to conclude in 2018.

As a registered investment adviser, Merrill Lynch completes a Form ADV, which contains additional information about itself, Bank of America and their affiliates. Information is available through publicly available filings at the SEC.

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



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

In certain instances and subject to the restrictions discussed below in the section entitled *Participation or Interest in Client Transactions – Funds and Related Investing*, your Investment Manager may invest in Related Funds. We may receive compensation when you invest in shares of these Funds in a program account. We potentially benefit from our economic interest in Related Companies and our relationship with Bank of America whenever such entities or their affiliates receive compensation for providing investment advisory, administrative, transfer agency, distribution or other services to their Related Funds or other investment products. The extent of this benefit may be greater than when we or our affiliates do not have an economic interest in the firm providing such services. As a result, we may benefit from increased sales of Related Funds and other investment products of Related Companies and Bank of America affiliates for you to a greater extent than from increased sales of Funds or investment products sponsored by other firms in which we and our affiliates do not have a similar economic interest or relationship.

Each of the Related Funds pays investment management fees to its investment adviser and, like Unrelated Funds, incurs other expenses.

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

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

We address these conflicts through disclosure in this Brochure. Moreover, our Financial Advisors are required to recommend investment advisory programs that are suitable for you based upon your



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 program accounts as well as between program accounts and our business. That said, your Investment Manager, not Merrill Lynch or your Financial Advisor, will recommend individual securities and exercise investment discretion.

RECEIPT OF COMPENSATION FROM INVESTMENT ADVISERS

While we do not recommend or select Investment Managers participating in MAS, we and our affiliates have business relationships with many Investment Managers, including those participating in MAS, separate and apart from MAS. For example, these Investment Managers may direct your transactions to us and receive research, execution, custodial, pricing and other services offered by us in the normal course of our business. We and our Financial Advisor may receive compensation in connection with such transactions and other services. You are encouraged to speak with a Financial Advisor to discuss any questions that you may have about existing or potential conflicts of interest relating to your Account.

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

CONFLICTS OF INTEREST AND INFORMATION WALLS

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

Managing conflicts of interest is an integral part of Bank of America's risk management process. Bank of America, including Bank of America Merrill Lynch's investment advisory business, evaluates its business activities and the actual and possible conflicts that may emerge from its activities on an ongoing basis. To the extent that existing or new business activities raise an actual conflict of interest, or even the appearance of a conflict, we endeavor to provide you with full and clear disclosure or to take action to avoid them.

CODE OF ETHICS

We have adopted an Investment Adviser Code of Ethics (the "Code of Ethics") covering our personnel who are involved in the operation and offering of investment advisory services. The Code of Ethics is based on the principle that clients' interests come first, it is intended to assist employees in meeting the high standards that we follow in conducting our business with integrity and professionalism. The Code of Ethics covers such topics as the:

- Requirement that all employees comply with all applicable securities and related laws and regulations;
- Reporting and clearance of employee personal trading;



- Prevention of misuse of material nonpublic information; and
- Obligation to report possible violations of the Code of Ethics to management or other appropriate personnel.

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

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

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

PRINCIPAL, AGENCY-CROSS AND CROSS TRADES

We will not charge a commission on agency transactions in your Account. There may be instances in which we or an affiliate may act as principal in effecting an investment transaction for your Account, in accordance with applicable law. If we or an affiliate effect a principal transaction for your Account, we will not charge a markup or markdown. However, principal transactions may be subject to a spread, underwriting fee or selling concession, which may result in additional compensation or other benefit to Merrill Lynch or an affiliate. You have authorized transactions for your Account to be effected on a stock exchange by Merrill Lynch or an affiliate, as appropriate.

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

From time to time, we may cause your account to engage in a transaction for the purchase or sale of a security with another client, subject to applicable law. We would do so only when we determine that the transaction is in the best interest of each party, and we would not receive any compensation in connection with the transaction.

FUNDS AND RELATED INVESTING

With certain exceptions, your Investment Manager may use Funds. You understand that these Funds may be Related Funds. The fees and expenses, if any, of these Funds, are in addition to the Merrill Lynch Fees. In addition, Merrill Lynch or a Related Company may earn additional compensation for services rendered in connection with such products. For example, Merrill Lynch or a Related Company may execute brokerage transactions for a Fund included in your Account (including on a principal basis), or provide shareholder subaccounting services to a Fund, for which it will be paid. More complete information about any of the Funds, including risks, management fees and other charges and expenses, is contained in the Fund's prospectus or other applicable disclosure document.

Due to the additional economic benefit to Merrill Lynch, our Related Companies, and, potentially, a Financial Advisor, from investments in Funds, a conflict of interest may exist. This conflict may be greater



when you select an Investment Manager that is implemented using these products. 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/or Rule 12b-1 fees or other service fees from the Funds. For other Funds, Merrill Lynch and our affiliates also may receive Rule 12b-1 fees or other service fees from the Funds. We and our affiliates may also provide other services to Related Funds and other Funds for compensation, such as transfer agency, shareholder servicing, administrative, accounting and printing services. To the extent that the Merrill Lynch Fee is intended to cover certain similar services when provided directly to your Account, you may be deemed to be paying additional fees for the same services if you select a Strategy that invests in Funds.

Merrill Lynch or Related Companies also may provide services to, or effect transactions with, Funds and receive compensation in connection with these activities.

Please note that while we allow you to fund your Account with mutual funds, we generally restrict a manager from purchasing mutual fund shares through MAS, including purchasing additional shares of the mutual fund that you used to fund your Account. We may remove this restriction in the future without notice to you.

Each mutual fund, or its adviser, principal underwriter or other agent, has entered into an agreement with us and our affiliates for the performance of subaccounting and related services (including account recordkeeping, transaction processing, reporting and corporate action services) for the mutual fund shares held in a Merrill Lynch account. We and our affiliates receive subaccounting fees for the performance of these services, which are either borne by the mutual fund (like other mutual fund expenses) or by its adviser, principal underwriter or other agent. These subaccounting and related services arrangements generally vary by mutual fund. Depending on the mutual fund's or its adviser's, principal underwriter's or other agent's arrangement with us and our affiliates, we or our affiliate will receive from the mutual fund or a fund service provider or its affiliate, subaccounting fees of either up to 0.15% per annum of the amount invested in such mutual fund or up to \$21 annually per Merrill Lynch client position in the mutual fund. These subaccounting fee rates are subject to change from time to time. Subaccounting fee rates may be received individually, or may be part of a "bundled" arrangement with a mutual fund that includes other types of fees, such as distribution and marketing support payments. For more information, please refer to the document entitled "Mutual Fund Investing at Merrill Lynch" available at www.ml.com/funds and also available from your Financial Advisor upon request.

In addition to these fees, 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 or our affiliates.

You can 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 MAS. If you do so, you would not pay account fees for such assets. However, you may not be eligible to purchase the same share class for each of the Funds available through MAS and the purchase of a different share class may be subject to applicable sales charges.

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

Merrill Lynch, a Related Company, or their respective affiliates may receive investment management fees paid by the Funds held in your Account.

In addition, from time to time a Fund may authorize us to make available to clients participating in an investment advisory program a class of shares of a Fund with a fee structure we believe is more beneficial



to you than the class of shares previously made available. In such circumstances, we will effectuate the exchange to the other class of shares of the same Fund.

In addition to Funds, Merrill Lynch or a Related Company, as applicable, may earn additional compensation for services rendered in connection with other types of investment products purchased for your Account.

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

Financial Advisors may, as permitted by applicable law, receive compensation (the amount of which may vary and could be significant) in connection with these introductions and/or services. Revenue paid for, or generated by, such services may not be used by Fund distributors, sponsors or service providers to compensate Merrill Lynch, directly or indirectly, for any of the Fund fees described throughout this Brochure. Information about a particular Fund's policies regarding selection of brokers may be found in the Fund's statement of additional information, which you may request from the Fund.

LOANS AND COLLATERAL

Where your Account assets are "pledged" or otherwise used as collateral in connection with any Lending Program, the lender may exercise certain rights and powers over the assets in the Account, including the disposition and sale of any and all assets pledged as collateral for the loan, which may be contrary to your interests and the investment objective of your Account. In particular, securities (including concentrated positions) may be liquidated from your Account without prior notice to you, your Financial Advisor or selected Investment Manager, resulting in adverse tax and other consequences. In some instances, you, your Financial Advisor or your selected Investment Manager may not be entitled to choose which securities are to be liquidated. In addition, in any Lending Program for which we or our affiliate serve as the lender, we or our affiliate, as lender, may exercise the same rights and powers as a lender that is not also acting as an investment adviser or fiduciary over the assets held in your Account. Any recommendation to participate in a Lending Program, as well as the related compensation that we or our affiliate may receive in connection with any such loan, could create conflicts of interests between you and us or, if applicable, our affiliate. For instance, such recommendation to participate in a Lending Program could result in a circumstance in which your selected Investment Manager is required to liquidate securities they would otherwise not sell, and which may not otherwise be in your best interests to sell, to satisfy a collateral call in the Account. Your selected Investment Manager will seek to manage your Account as agreed to between you and your Investment Manager, provided that, if a collateral call takes place, your selected Investment Manager may not be able to manage your Account consistent with their overall strategy. Any action taken by us, or an affiliate, against the assets held in your Account pursuant to the loan documents will not constitute a breach of our fiduciary duties as an investment adviser to you under the Client Agreement.



Furthermore, the costs associated with such an arrangement are not included in your Merrill Lynch Fee and may result in additional compensation to us, our affiliate and our Financial Advisor. We address these conflicts through disclosure in this Brochure.

ACTING AS GENERAL PARTNER

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

INVESTMENT IN SECURITIES BY MERRILL LYNCH AND OUR PERSONNEL

We and our affiliates act in a variety of capacities to a wide range of clients. 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 MAS clients, which may differ from that given or taken with regard to other clients. This includes the advice given or actions taken with respect to certain securities, Funds or Investment Managers. In some instances, the actions taken by affiliates with respect to similar services and programs may conflict with the actions taken by us. This is due to, among other things, the differing nature of the affiliate's investment advisory service and differing processes and criteria upon which determinations are made.

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

Related Managers may provide advisory services with respect to one or more strategies available for your selection. Bank of America is a direct or indirect substantial stockholder, or the ultimate parent company of Related Managers. If a Strategy provided by a Related Manager is selected, we and/or a Related Company will retain the entire Merrill Lynch Fee. For this reason, a potential conflict of interest exists when our Financial Advisor assists you in the selection of a Related Manager.

We or our affiliates may have a position in or enter into "proprietary" transactions in securities purchased or sold for clients, including MAS clients. We or our affiliates may benefit from such securities positions or transactions.

We address these conflicts through disclosure in this Brochure. Moreover, our Financial Advisors are required to recommend investment advisory programs and investment products that are suitable for you based upon your 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 MAS Accounts as well as between MAS Accounts and our business. For example, our personnel also are subject to personal trading restrictions as detailed in its policies and procedures and Code of Ethics. These policies and procedures and the Code of Ethics require our Financial Advisors to obtain pre-approval for certain securities transactions, disclose their investment accounts, provide an annual holdings report, and provide a quarterly transaction report.

**REVIEW OF ACCOUNTS**

We do not review your Account on a periodic or other basis. Reviews of your asset allocation strategy will not be performed unless you specifically request otherwise.

CLIENT REPORTS*Performance Reports*

As discussed above, we assist you in monitoring and evaluating the performance of your Account by providing periodic performance reports containing returns and other statistical performance analyses.

Client Statements

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

As you direct in the Client Agreement or other writing, you may elect not to receive confirmation of transactions for your Account(s) on a trade-by-trade basis, except as required by rule or regulation, and, in lieu thereof, receive a periodic statement that will be furnished to you not less frequently than quarterly and that will contain the same information that would be included in the trade-by-trade confirmation for each transaction. Your election to receive periodic statements in lieu of trade-by-trade confirmations is entirely optional and:

- Will not affect the calculation of or amount of your Merrill Lynch Fees;
- Is not a condition to entering into or continuing participation in MAS; and
- May be rescinded at any time by written notice to us with respect to your Account.

We will send confirmations for transactions effected in your Account (or information contained therein) to you and your Investment Manager, as applicable.

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

CLIENT REFERRALS AND OTHER COMPENSATION**OTHER COMPENSATION**

We have business relationships with many Investment Managers, including those participating in MAS. For example, these Investment Managers may direct your transactions to us and receive research, execution, custodial pricing and other services offered by us in the normal course of our business. Merrill Lynch and our Financial Advisors (including Financial Advisors providing the MAS service) will ordinarily receive compensation in connection with such transactions and other services. We encourage you to speak with your Financial Advisor and Investment Manager to discuss any questions that you may have about existing



or potential conflicts of interest relating to your Investment Managers, including any business relationships that these Investment Managers may have with us or your Financial Advisor.

Investment Managers participating in MAS or their affiliates, including Investment Managers to mutual funds and other pooled vehicles that may be purchased for MAS Accounts, may pay for, or reimburse Merrill Lynch for, various costs arising from client and prospective client meetings, sales and marketing materials, and educational, training and sales meetings held with Financial Advisors and other Merrill Lynch personnel relating to the MAS service and asset management generally. These Investment Managers or their affiliates may also participate with our personnel in other conferences and seminars unrelated to MAS and may reimburse us to cover various costs of these conferences and seminars. In addition, these Investment Managers or their affiliates may make charitable donations or cover the costs of reasonable entertainment in connection with Merrill Lynch-sponsored or client-related events.

We address these conflicts through disclosure in this Brochure.

COMPENSATION FOR CLIENT REFERRALS

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

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 Merrill Lynch and BANA or its affiliates.

FINANCIAL INFORMATION

Not applicable.

ADDITIONAL INFORMATION

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



GLOSSARY

“Account” means each of the client’s securities accounts to which the Client Agreement applies and is managed by a single Investment Manager.

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

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

“AIPS” means the Merrill Lynch Automated Investment Program.

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

“BANA” means Bank of America, N.A.

“Bank of America” means Bank of America Corporation.

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

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

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

“CDSC” means contingent deferred sales charge.

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

“CDSC” means contingent deferred sales charge.

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

“Concentrated Positions” means investing a large percentage of Account assets in a single security or a single industry sector.

“Disclosure Statement” means the Merrill Lynch wrap program brochure relating to MAS, as amended or updated from time to time. The Disclosure Statement is also referred to as the Brochure.

“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, including SIMPLE, SEP and other IRAs subject to ERISA’s fiduciary responsibility provisions.

“ETF” means an exchange-traded fund.

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

“Financial Advisor” means the Merrill Lynch Financial Advisor who provides non-discretionary investment advice to the client in MAS.

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

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



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

“Investment Manager” means an investment adviser that is registered with the SEC or one or more state regulatory authorities, or which is exempt from the registration requirement.

“Investment Manager Fee” means the advisory fee that you pay the Investment Manager.

“Legacy Managers” means Investment Managers that participated in a Previous Program.

“MAS” means the Merrill Lynch Managed Account Service.

“Margin Agreement” means the Merrill Lynch Margin Lending Program Client Agreement.

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

“Merrill Lynch Banks” means one or more bank depository institutions affiliated with Merrill Lynch.

“NYSE” means the New York Stock Exchange LLC.

“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.

“Performance Reports” means periodic performance reports.

“Program” means the Merrill Lynch Managed Account Service.

“Previous Program” means a program or service sponsored by Merrill Lynch in which a Legacy Manager generally no longer participates because (i) the Legacy Manager removed itself from the program or service, (ii) Merrill Lynch removed the Legacy Manager from the program or service, or (iii) the program or service was itself terminated by Merrill Lynch and the Legacy Manager was not added to the roster of another Merrill Lynch service or program.

“Referral-Arrangement Managers” are Investment Managers that compensate Merrill Lynch for referrals of clients.

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

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

“Related Manager” means an Investment Manager that is a Related Company.

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

“Retirement Account” means an ERISA Plan, a 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 pursuant to a plan adopted under Rule 12b-1 under the Investment Company Act.

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

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

“Selling Broker Compensation” means commissions, markups, or markdowns, 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.



“SIPC” means Securities Investor Protection Corporation.

“Strategy” means one or more investment styles or disciplines or combinations of investment styles and disciplines offered by Investment Managers participating in MAS.

“Trades” means Investment Manager orders to buy and/or sell securities in the Account.

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

“Underlying Account Documentation” means documentation for a client’s underlying Merrill Lynch securities account that provides Merrill Lynch with information regarding the client’s overall circumstances, financial goals and risk profile, as well the client Account’s investment objective and other important information with respect to the client’s Account.

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

“Unrelated Fund” means a Fund that is not sponsored or advised by Merrill Lynch or a Related Company.

“Unrelated Manager” means an Investment Manager that is not a Related Company

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

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