

Merrill Lynch
Personal Investment Advisory® Program
Wrap Fee Program Brochure October 1, 2018



Please retain for your records

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

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

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

MATERIAL CHANGES

On March 26, 2018, Merrill Lynch filed its last annual update for its Personal Investment Advisory® program 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.

The following was added to “Additional Information - Disciplinary Information.”

On August 20, 2018, the SEC announced that MLPF&S, without admitting or denying the findings, entered into a settlement related to willful violations of Sections 206(2) and 206(4) of the Advisers Act and Advisers Act Rule 206(4)-7. Specifically, the SEC’s administrative order found: (1) a failure to disclose that the portfolio manager process employed in connection with a January 2013 termination recommendation was exposed to a conflict of interest (less than one-seventh (1/7) of 1% of total advisory accounts (approximately 1,500) were invested in the products subject to the termination recommendation); and (2) a failure to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act. In determining the appropriate sanctions, the SEC considered Merrill Lynch’s remedial acts promptly undertaken and cooperation afforded the SEC staff. Merrill Lynch consented to the imposition of a cease-and-desist order, a censure, and disgorgement and a financial penalty totaling approximately \$8.8 million.

Wrap Fee Program Brochure

TABLE OF CONTENTS

MATERIAL CHANGES	2
SERVICES, FEES AND COMPENSATION	6
DESCRIPTION OF PIA	6
Investment Selections	8
Investment Restrictions.....	9
Account Enrollment	9
Risk and Tax Disclosure	9
FUNDING AND OPERATION OF PIA ACCOUNTS	12
Funding, Withdrawals and Additions of Assets in PIA Accounts.....	12
Custodial Arrangements.....	13
Investment of Cash Balances	13
Transactions in PIA Accounts	14
Account Fees.....	14
Calculation of Account Fees.....	16
Deduction of Account Fees.....	16
ABILITY TO OBTAIN PIA SERVICES SEPARATELY	17
OTHER FEES AND EXPENSES	17
Investing in Funds.....	18
Long/Short Strategies and Margin	19
Loans and Collateral	19
Investment of Cash Balances	19
COMPENSATION FOR RECOMMENDING THE WRAP FEE PROGRAM	20
ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS	20
CLIENT ELIGIBILITY	20
ACCOUNT MINIMUMS	20
CLOSING A PIA ACCOUNT AND/OR TERMINATING THE CLIENT AGREEMENT	20
PORTFOLIO MANAGER SELECTION AND EVALUATION	20
PORTFOLIO MANAGER SELECTION.....	20
REVIEW OF PORTFOLIO MANAGERS PARTICIPATING IN PIA.....	21
Review of Portfolio Managers	21
Performance Standards	21
RELATED PERSON PORTFOLIO MANAGERS – SELECTION AND REVIEW.....	22

Wrap Fee Program Brochure

RELATED PERSON PORTFOLIO MANAGERS – INFORMATION ABOUT ADVISORY SERVICES	22
Investment Restrictions.....	23
Wrap Fee Programs.....	23
Performance-Based Fees and Side-by-Side Management	23
Methods of Analysis, Investment Strategies and Risk of Loss.....	23
Voting Client Securities	24
PROXY VOTING AND OTHER LEGAL MATTERS	24
Summary of Proxy Voting Policies	24
CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS	26
CLIENT CONTACT WITH PORTFOLIO MANAGERS.....	27
ADDITIONAL INFORMATION.....	27
DISCIPLINARY INFORMATION.....	27
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	29
Receipt of Compensation from Investment Advisers	30
Referral Arrangements.....	30
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	30
Conflicts of Interest and Information Walls	30
Code of Ethics.....	30
Participation or Interest in Client Transactions	31
Principal, Agency-Cross and Cross Trades	31
Funds and Related Investing.....	32
Retirement Accounts.....	34
Loans and Collateral	34
Acting as General Partner	35
Other Financial Interests	35
Investment in Securities by Merrill Lynch and Our Personnel.....	35
REVIEW OF ACCOUNTS	36
Account Reviews	36
Client Reports	36
Trade Confirmations	36
CLIENT REFERRALS AND OTHER COMPENSATION	37
Other Compensation	37
Compensation for Client Referrals	38

Wrap Fee Program Brochure

FINANCIAL INFORMATION	38
GLOSSARY	39

SERVICES, FEES AND COMPENSATION

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

DESCRIPTION OF PIA

This Brochure relates to the Merrill Lynch Personal Investment Advisory® program ("PIA"), an investment advisory program offered by Merrill Lynch. This Brochure also contains important information relating to your responsibilities for your Accounts, certain conflicts of interest involved with the services offered, and other matters. You should read this Brochure carefully when deciding whether the services are appropriate for you, and ask your Financial Advisor any questions you may have.

PIA is a fee-based investment advisory program designed to help you meet your investment objectives by offering discretionary management of your Account through your Financial Advisor. You may also choose to have your Account managed by a Financial Advisor who is not the Financial Advisor primarily responsible for your relationship with Merrill Lynch. In these cases, the Financial Advisor selected to manage your Account will be responsible for exercising investment discretion over the assets in the Account. Additionally, where your Financial Advisor is a member of a team of Financial Advisors, a Financial Advisor, other than the Financial Advisor primarily responsible for your relationship with Merrill Lynch, may exercise discretion over certain investment decisions made in your Account. You should speak to your Financial Advisor to better understand who may make investment decisions in your Account.

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

To open a PIA Account, you must first enter into a Client Agreement. The Client Agreement, among other things, grants us the discretionary authority to make purchases and sales for your Account. Under the Client Agreement, you give Merrill Lynch the authority to buy, sell, hold, convert, exchange, redeem or otherwise trade securities (including stocks, bonds, mutual funds and options) and other investments in your Account in its sole discretion and without first consulting you. You also authorize Merrill Lynch to take any other necessary actions to open, maintain and trade for your Account, including the completion and settlement of transactions in your Account.

We acknowledge that we are subject to fiduciary responsibilities under the Advisers Act with respect to the investment advisory services provided pursuant to the Client Agreement. If your Account is subject to ERISA, then Merrill Lynch will be acting as a fiduciary and an investment manager under Section 3(38) of ERISA.

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

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

- The types of securities available to be purchased for your Account as discussed in the section *Related Person Portfolio Managers - Information About Advisory Services – Methods of Analysis, Investment Strategies and Risk of Loss*;

Wrap Fee Program Brochure

- Investment guidelines; and
- Certain regulatory requirements.

The impact of any of these program-level parameters to your Account will depend upon a variety of factors including, but not limited to:

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

Your Financial Advisor may invest the assets in your Account using either: (a) a proprietary model investment strategy created by BofAML Global Research, Global Wealth and Investment Management Chief Investment Office (“GWIM CIO”) or other Merrill Lynch investment professionals (“Proprietary Model Portfolio Strategy”); or (b) a custom investment strategy created by your Financial Advisor (“Financial Advisor-Created Strategy”). Financial Advisor-Created Strategies are categorized as either “Defined Strategies” or “Personalized Strategies” as further described below. We will notify you of the type of investment strategy in which your Account is invested. Your Financial Advisor may change the investment strategy based on various factors, including changes in your financial situation or investment objectives, and/or market conditions. Not all Financial Advisors may offer all types of investment strategies. For example, some Financial Advisors may only offer Proprietary Model Portfolio Strategies. You should discuss your available options with your Financial Advisor.

If your Financial Advisor manages your assets on a discretionary basis by implementing a Proprietary Model Portfolio Strategy, the assets in the Account will generally consist of the same securities, and weightings of such securities, as those recommended by BofAML Global Research or GWIM CIO, as applicable, for the respective Proprietary Model Portfolio Strategy. We will monitor your Account for adherence to such strategy. We will notify your Financial Advisor when changes are made to the Proprietary Model Portfolio Strategy (with respect to both the securities and the weighting of each security). However, due to the timing of the implementation of such changes in your Account and other factors, in certain circumstances, the weighting of the securities in your Account may drift from the established weighting of the Proprietary Model Portfolio Strategy recommended by BofAML Global Research, GWIM CIO or other Merrill Lynch investment professionals.

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

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

Financial Advisor-Created Strategies are categorized as either a “Defined Strategy” or a “Personalized Strategy” as determined by us. Defined Strategies will consist of Financial Advisor-Created Strategies that are generally managed consistently across multiple accounts based on a common investment objective of the overall strategy focus (e.g., Large Cap Growth, International Equity, Municipal Bond Strategies, etc.) and other factors as determined by the Financial Advisor relative to a specific strategy. Client-imposed restrictions may still be elected for an Account using a Defined Strategy. Personalized Strategies will consist

Wrap Fee Program Brochure

of those Financial Advisor-Created Strategies that are tailored to meet specific client needs and objectives as selected by the client at the Account level.

Investment Selections

Based on the investment strategy selected for your Account, your Financial Advisor may purchase different types of securities for your Account, including, although not necessarily limited to the following (investment selections may change over time as determined by us):

- Equity Securities, including exchange-listed and over the counter equity securities;
- Certain Funds, including open-end mutual funds, closed-end funds and exchange traded funds (ETFs), and in limited circumstances, leveraged and inverse ETFs;
- Rights and Warrants;
- Foreign ordinary and certain foreign-debt securities;
- Certain ADRs;
- Corporate, municipal and U.S. government-debt securities, including those guaranteed or issued by their agencies;
- Certain asset-backed securities;
- Certain exchange-traded notes (ETNs);
- Master Limited Partnerships (MLPs);
- Real Estate Investment Trusts (REITS);
- Certain United Investment Trusts (UITs);
- Securities options; and
- Money market instruments.

Your Financial Advisor may purchase equity securities that have a “Buy,” “Neutral” or “Underperform” rating by BofAML Global Research, or that may not have a rating by BofAML Global Research. Your Financial Advisor also may purchase fixed-income securities rated by a rating agency as investment grade or below investment grade or fixed-income securities that are not rated. To the extent one or more ratings change on a particular security, your Financial Advisor may exercise his or her discretion in determining whether to continue holding the security, subject to certain investment guidelines as we may establish.

Your Account also may invest in Funds. Funds and other securities incur various fees and expenses, which can include management fees, sub-accounting fees, operating expenses and other charges. These fees are generally paid by the Fund from its assets (and thus are reflected in the market price or net asset value of the shares). As a result, your Account will ultimately bear the effect of such fees and expenses, which are in addition to the PIA fees described in the fee section of this Brochure.

Based on your Account type (i.e. accounts that are ERISA Qualified Plans such as profit-sharing accounts, 401K accounts, etc.), your Financial Advisor may be restricted from purchasing certain securities or certain share classes in your PIA Account. In addition, you should be aware that equity initial public offerings (“IPOs”) are not available through PIA. Please consult with your Financial Advisor to determine whether you are eligible to access IPOs through our other advisory programs.

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

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

Although we maintain general guidelines relating to cash allocations, each of your Account’s cash allocations may differ based on the overall investment strategies relating to your Account or current market conditions. In certain limited circumstances, including periods of volatile or uncertain market conditions and for other defensive purposes, such allocations may comprise a substantial portion of your Account. You will be charged the PIA fee, as described in the section *Funding and Operation of PIA Accounts*, on any cash balances maintained in your Account.

Wrap Fee Program Brochure

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

Investment Restrictions

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

- Individual security restrictions;
- Sector restrictions; and
- ELEMENTSSM-related restrictions.

We will review your investment restrictions to determine, in our sole discretion, whether they are reasonable. In the case of restrictions involving categories of securities, unless you direct us in writing otherwise, we also will determine, in our sole discretion, the specific securities that will be included in the restricted category. Your investment restrictions will not apply to the underlying securities holdings of any Fund held in your Account. If electing an investment restriction, you may wish to discuss with your Financial Advisor how it may impact the overall management of your Account.

For restrictions applied to your Account that are managed using Proprietary Model Portfolio Strategies, the assets that would have been invested in the restricted security are either, in your Financial Advisor's discretion, allocated pro-rata across the other investments held in your Account or to cash.

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

Account Enrollment

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

Risk and Tax Disclosure

You should understand that all investments involve risk (the amount of which may vary significantly), investment performance can never be predicted or guaranteed and the value of your Account will fluctuate due to market conditions and other factors. You are assuming the risks involved with investing in securities and other investment products, and should understand that you could lose all or a portion of the amount held in

your Account. There is no assurance that we or your Financial Advisor will perform better than or equal to the performance results of any benchmark or index used in connection with the investment strategy for your Account. Market movements and other factors may result in significant differences between the performance of your Account and any investment objectives set forth in the PIA Enrollment Documentation. The investment decisions made, and the actions taken, for your Account, are subject to various market, liquidity, currency, economic and political risks, including the risk of terrorist attacks and war, and will not necessarily be profitable. An adverse event may cause increased market volatility, and market forces may cause particular sectors, industries or securities to appreciate or depreciate dramatically. If your Account is invested in such sectors, industries or securities, it may become less diversified due to the resulting concentration within your Account. We make no representations or warranties with respect to the present or future level of risk or volatility in your Account. You should read the prospectus or disclosure document, as applicable, for each investment selection purchased for your Account.

In certain circumstances, you may specify (and we may accept) investment management guidelines that may require your Financial Advisor to invest in a concentrated style (*i.e.*, account holdings in one or a few sectors or securities). In addition, you may impose restrictions on your Account that may result in your Account being concentrated in one or a few sectors, industries or securities. Concentrated portfolios typically increase the risk and volatility of an Account and may result in a decrease in diversification. As discussed above, we may determine not to accept such guidelines and/or restrictions.

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

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

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

If you are a “U.S. person” as defined in section 7701(a)(30) of the Internal Revenue Code (or “Code”) and are considering whether to make an investment in a non-U.S. security, we strongly urge you to consult with your U.S. tax advisor before making such an investment. Shares or other equity interests in a non-U.S. issuer may constitute an interest in a “passive foreign investment company” (or “PFIC”) as defined in section 1297 of the Code. If the issuer of such security is a PFIC, then you may be subject to adverse U.S. federal income tax consequences arising from the ownership and disposition of such security. Under certain circumstances, an election can be made to reduce the impact of those adverse tax consequences, but you should discuss with your U.S. tax advisor whether you would be able to make such an election.

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

Based on the investment strategy selected for your Account, your Financial Advisor may invest in shares of, or interests in, ETFs. As an ETF shareholder, you, along with other shareholders of the ETF, will bear a proportionate share of the ETF’s expenses, including, as permitted by applicable law, certain management and other fees, which may be payable to us or a Related Company. An ETF’s prospectus contains a description

Wrap Fee Program Brochure

of its fees and expenses. When you invest in an ETF, you will indirectly pay a proportionate share of the ETF's costs for services that may be similar to, or duplicative of, Services rendered as part of PIA and paid for directly through the account fees.

Among other services provided, we or our Related Companies may effect transactions for any of the ETFs offered through PIA, and any compensation paid to us or our Related Companies by the ETF, or its Affiliates, is in addition to the account fee. Due to the additional economic benefit to us or our Related Companies when assets in your Account are invested in an ETF that pays compensation to us or our Related Companies, a conflict of interest exists. We attempt to address this conflict by selecting ETFs based on the investment merits of the particular investment products and not based on the compensation that we and our Related Companies earn and through the disclosure in this Brochure.

You may be able to purchase shares of the ETFs offer through PIA in the secondary market or from an ETF through an authorized participant (in creation unit aggregations only), or through us without enrolling in PIA. If you do so, you would not pay the account fee for such assets, however, you will not receive the investment advice and other Services offered through PIA.

Below is a summary of certain risks relating to investing in ETFs that may apply to all or certain types of ETFs offered through PIA. Please refer to the particular ETF prospectus for more information about the risks applicable for a particular ETF.

ETFs are subject to risks relating to market trading that include the potential lack of an active market for ETF shares and disruptions in the creation and redemption process. Although ETF shares are listed on a national securities exchange, it is possible that an active trading market in the shares of a particular ETF may not develop or be maintained, particularly during times of severe market disruption. If ETF shares need to be sold when trading markets are not properly functioning, the ETF shares may be sold at a significant discount to their Net Asset Value ("NAV"). In some cases, it may not be possible to sell ETF shares in the secondary market. For example, an unanticipated closing of the national securities exchange on which an ETF's shares are listed or one or more markets on which either the ETF's shares trade or the ETF's portfolio holdings trade or the inability of such markets to open for trading during normal business hours, such as in response to a natural disaster or other event causing severe market disruption, could result in the inability to buy or sell shares of the ETF and the ETF's inability to buy and sell exchange-traded portfolio securities during that period, or in a disruption of the ETF's creation and redemption process, and may make it difficult for the ETF to accurately price its investments, thereby potentially affecting the price at which ETF shares trade in the secondary market. All of these events could adversely affect the performance of the ETF.

Trading in ETF shares also may be halted by an exchange or other markets because of market conditions or other reasons. If a trading halt occurs, an investor may temporarily be unable to purchase or sell shares of the ETF. Similarly, an exchange or other markets may issue trading halts on specific securities or derivatives, which will affect the ability of the ETF to buy or sell certain securities or derivatives. In such circumstances, the ETF may be unable to rebalance its portfolio or accurately price its investments and may incur substantial trading losses.

ETF shares also may trade on an exchange or on other markets at prices below their NAV. The NAV of ETF shares will fluctuate with changes in the market value of the ETF's holdings and the exchange-traded prices of the ETF's shares may not reflect these market values.

Only an authorized participant may engage in creation or redemption transactions directly with an ETF. To the extent that these institutions exit the business or are unable to proceed with creation and/or redemption orders with respect to an ETF and no other authorized participant is able to step forward to create or redeem, ETF shares may trade at a discount to NAV and possibly face delisting. This risk is exacerbated if an ETF has a limited number of institutions that serve as authorized participants.

Certain ETFs may effect creations and redemptions for cash, rather than in-kind. As a result, an investment in such an ETF may be less tax-efficient than an investment in a more conventional ETF. ETFs generally are able to make in-kind redemptions and avoid being taxed on gain on the distributed portfolio securities at the ETF level. An ETF that effects redemptions for cash, rather than in-kind distributions, may be required to sell portfolio securities in order to obtain the cash needed to distribute redemption proceeds. If the ETF recognizes gain on these sales, this generally will cause the ETF to recognize gain it might not otherwise have recognized,

or to recognize such gain sooner than would otherwise be required if it were to distribute portfolio securities in-kind. ETFs generally intend to distribute these gains to shareholders to avoid being taxed on the gain at the ETF level and otherwise comply with the special tax rules that apply to it. This strategy may cause shareholders to be subject to tax on gains they would not otherwise be subject to, or at an earlier date than, if they had made an investment in a different ETF. Moreover, cash transactions may have to be carried out over several days if the securities market is relatively illiquid and may involve considerable brokerage fees and taxes. These brokerage fees and taxes, which will be higher than if the ETF sold and redeemed its shares principally in-kind, will be passed on to purchasers and redeemers of creation units in the form of creation and redemption transaction fees. In addition, cash transactions may result in wider bid-ask spreads in shares trading in the secondary market as compared to ETFs that transact exclusively in-kind. ETFs that seek to track the performance of a specified underlying index ("Index ETFs") are not actively managed and the investment advisers of such ETFs do not attempt to take defensive positions in declining markets. Therefore, Index ETFs may be subject to greater losses in a declining market than a fund that is actively managed.

A number of factors may affect an Index ETF's ability to achieve a high degree of correlation with its underlying index, and there can be no guarantee that an ETF will achieve a high degree of correlation with its underlying index either on a single trading day or for a longer time period. Factors such as ETF expenses, imperfect correlation between the ETF's investments and the components of the underlying index, rounding of share prices, changes to the composition of the underlying index, regulatory policies, a high portfolio turnover rate, and the use of leverage all contribute to tracking error and correlation risk. Failure to achieve a high degree of correlation may prevent an ETF from achieving its investment objective and cause the ETF's performance to be less than you expect.

FUNDING AND OPERATION OF PIA ACCOUNTS

Funding, Withdrawals and Additions of Assets in PIA Accounts

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

Generally, you should only hold in your Account Funds and securities that have been deemed eligible by Merrill Lynch for PIA. Eligible Fund share classes (eligible share classes of eligible Related Funds and Unrelated Funds) generally include share classes that have been purchased at net asset value through another Merrill Lynch fee-based program, through another firm or a share class that Merrill Lynch otherwise deems eligible. Ineligible Fund share classes generally include those Funds which include a load or fee at the time of purchase, contingent deferred sales charge (CDSC) or a share class that Merrill Lynch has otherwise deemed to be ineligible. Eligible Fund share classes usually have a lower expense ratio than ineligible Fund shares classes. You should understand that any contributed Fund shares may be sold, converted or exchanged as further described below. Please consult with your Financial Advisor as to whether your Fund shares are eligible to be held in your Account before funding your Account with such shares. Eligibility of Funds and securities may change over time and at our discretion.

If you contribute or transfer Fund shares into your PIA Account, your Financial Advisor may sell such shares if they are an ineligible Fund share class or if they are not part of the proposed PIA strategy. We may convert any ineligible Fund shares to a corresponding class of eligible Fund shares of the same Fund, which would be subject to the PIA fee. Depending on your circumstances, you could pay higher overall expenses for your shares if we convert your ineligible Fund shares to eligible Fund shares. Additionally, any Fund or other security purchased prior to enrolling in PIA and subsequently transferred into a PIA Account will generally be subject to the PIA fee immediately upon its transfer to PIA. This means that you may pay an up-front commission, load or fee (when the security or Fund was purchased prior to enrolling in PIA) as well as a PIA fee (once enrolled in PIA) in connection with the same security or Fund. When opening a PIA Account or transferring Fund shares into your Account, you should consider and speak with your Financial Advisor about all relevant factors, including: (i) that you may have paid sales commissions, front-end sales charges or may pay a CDSC, if applicable, which will be your responsibility and are in addition to the PIA fees; and (ii) the impact of a conversion of ineligible Fund shares on the overall fees you may pay.

Wrap Fee Program Brochure

In certain instances, you may hold ineligible securities (including ineligible Fund shares as further described above) in your Account at our discretion. Eligible and ineligible securities and Funds may change from time to time as determined by us. You also should not maintain in your Account investments, such as restricted stock, over which we and your Financial Advisor cannot exercise investment discretion. If you place such restricted or ineligible securities in your Account or enroll your existing Account into PIA, you should be aware that PIA fees may be charged on these assets. You should contact your Financial Advisor with any questions you may have about the handling of restricted or ineligible securities. In addition, as noted above, your Financial Advisor may exercise his or her discretion in determining whether to continue holding a particular security in the event of one or more ratings changes. Such securities will continue to be subject to the PIA fee while the Financial Advisor continues to manage the security position(s) as well as the overall account.

You should understand that upon account enrollment in the PIA program, the following services will not be available for your Account: Checks, Visa® debit cards, web bill pay, online client orders, and systematic withdrawal services such as Move Money®/funds transfer disbursements. If such services have already been elected, they may be discontinued once enrolled in PIA.

Custodial Arrangements

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

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

Investment of Cash Balances

Cash balances and funds pending investment in your Account 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; provided, however, that for newly opened securities accounts, no sweep option will take effect (i.e. your cash will not be deposited/invested in such sweep option) until Merrill Lynch receives your signed securities account agreement. Your failure to return your signed securities account agreement may result in your Account's termination from the PIA program, among other things. Depending upon the type of securities account that you establish, cash balances will be swept to one or more banks related to us, Related or Unrelated Money Market Funds, or to another available cash option. With certain account types, a sweep option is not available. In that case, you will not be invested in one of the above sweep options as part of the Program.

For certain types of accounts, as provided in the applicable account agreement(s) with us, you may choose the particular sweep option and/or direct the investment of cash outside of the sweep. Your Financial Advisor can help you identify the sweep or other cash options, if any, available to you, but neither we nor your Financial Advisor has the discretion to make the selection for you. Additionally, you may elect a "no sweep" option for the cash balances held in your PIA Account. If you select the no sweep option, your cash balances will remain in your Account until they are needed to satisfy any debits (due to securities purchases or other transactions) in your Account and will not earn interest or dividends. If you elect the no sweep option for your Account, you should understand that Merrill Lynch will continue to charge the PIA fee on the cash in held in your Account even though you are not earning any interest or dividends on that cash and that may create a conflict between you and us. You should carefully consider whether the no sweep option is right for you. Cash balances in accounts with custodians other than us will not be subject to these sweep arrangements. Unless otherwise agreed, your Account will be credited with any dividends, interest and principal paid on assets held in your Account.

Wrap Fee Program Brochure

Transactions in PIA Accounts

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

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

In an effort to reduce market impact and to obtain best execution, your Financial Advisor may purchase or sell securities in bulk (or orders may be “batched”) on the same day for some or all PIA accounts managed by the same Financial Advisor. In such cases, all orders in a batch will receive “average pricing” and the price of securities shown on client confirmations will be the average execution price on either all of the purchases or all of the sales (as applicable) aggregated for this purpose. In addition, when executing orders, we may batch orders for your Account with orders entered for other accounts, including the Financial Advisor assigned to your Account, the Financial Advisor’s related accounts and accounts of other clients and Financial Advisors. Moreover, under certain circumstances, orders may be aggregated (among several PIA Financial Advisors and their respective clients) in order to reach or get closer to round lot size and thereby enhance order execution.

Financial Advisors have broad discretion to trade Accounts and there can be no assurance that an Financial Advisor will purchase or sell the same securities for all such Accounts at the same time, or that the Financial Advisor will aggregate your orders with those of other clients and charge an average price per share or unit and, when applicable, a pro-rata share of any fees. As a result, you may receive different prices and executions for the same securities as compared to other clients investing in accordance with the same Defined Strategy. In addition, although we monitor performance dispersion and other characteristics of Accounts participating in Defined Strategies, investment opportunities will not necessarily be allocated among participating Accounts on a fair and equitable basis.

Account Fees

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

Wrap Fee Program Brochure

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

There are different fee schedules. If your account moves from a strategy priced on the Fixed-Income Fee Schedule to a strategy priced on the Equity/Balanced Fee Schedule, your Account's PIA fee rate may increase. PIA accounts assigned to the Equity/Balanced Fee Schedule with 100% fixed-income for four consecutive quarters, will be capped at the Fixed-Income Fee Schedule until the fixed-income allocation decreases below 100% of the account value.

The fee for PIA accounts with allocations of greater than 80% Mutual Funds, Exchange-traded Funds, and Closed-End Funds will be capped at 2% until the allocation to Mutual Funds, Exchange-traded Funds, and Closed-end Funds decreases below 80% of the account value at which point the negotiated rate will be applied.

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

PIA fees are payable quarterly in advance. Fees may differ based on a number of factors including, but not limited to:

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

You may be able to negotiate fee discounts based upon the total assets you maintain at Merrill Lynch. In certain circumstances, pricing arrangements typically involving multiple accounts in which the total assets of the accounts are subject to annual fees described above may also be available to you. The accounts may include accounts in programs outside of PIA, as determined by us. From time to time, we may enter into specialized agreements to provide particular or unique services to certain clients, subject to negotiated fees. PIA fees that are negotiated are subject to change. Upon request, and at no charge, we will provide additional detailed information regarding your PIA fees. Please contact your Financial Advisor if you would like to receive this more detailed PIA fee information.

The fees for PIA may be negotiable. However, negotiated fees are generally subject to the following minimum fees. For equity/balanced accounts, the minimum annual fee is \$2,000 (or a minimum quarterly fee of \$500), but will not exceed a maximum annual fee of 3% (or a maximum quarterly fee of ¼ of 3%). For fixed-income accounts, the minimum annual fee is \$1,000 (or a minimum quarterly fee of \$250), but will not exceed a maximum annual fee of 1.25% (or a maximum quarterly fee of ¼ of 1.25%). In certain circumstances and in our discretion we may waive or reduce your Account's minimum PIA fees. We may charge a pro-rata fee (based on the number of days remaining in the billable period) on assets added to your PIA Account during any billing period. If you close your Account during a billing period, you will receive a pro-rata refund of fees paid in advance. No fee adjustment will be made for partial withdrawals or for account appreciation or depreciation within a billing period.

Wrap Fee Program Brochure

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

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

Calculation of Account Fees

Initial PIA fees are calculated based on the market value of your Account as of the last Friday of the first month of enrollment. The fees are prorated to cover the period from the effective date of your Account's inception through the end of the quarter. For accounts enrolling after the last Friday in December, the initial PIA fees are calculated based on the market value of your Account as of the last business day of December.

Thereafter, quarterly PIA fees are calculated based on the average value of your Account as determined on each of the last Fridays of the prior quarter's month ends, except for fees charged for the first quarter of each new calendar year, in which case, such fees are calculated based on the average value of your Account as determined on each of the last Fridays of October and November and the last business day in December.

The securities in your Account will be valued in a manner determined by us, in our sole discretion, using various sources, including quotation services, believed to be reliable. In some cases, values may be based on estimates. If values are unavailable or believed unreliable, values will be determined in good faith so as to reflect estimated fair market value. Values may vary from prices achieved in actual transactions, especially for thinly traded securities, and are not firm bids or offers or guarantees of any type with respect to the value of securities in your Account. For certain fixed-income securities (e.g., bonds), the values assume no unusual market conditions and are generally for lots of \$1 million or more, which may produce values that are higher than the prices that would be achieved in the sale of fewer securities. As a result, your annual fee may be calculated based on values for some securities that are greater than the amount you would receive if you sold those securities.

Your Account value used for the fee calculation may differ from that shown on your Account statement and performance measurement report due to a variety of factors, including trade date or settlement date accounting, treatment of accrued income, round lot valuation and other considerations. Further, the valuation of your securities reported in performance measurement reports or account statements may be subject to occasional re-pricing in reasonable and appropriate circumstances, but such re-pricing will not affect, or result in the adjustment of, previously calculated PIA fees.

Deduction of Account Fees

Your Client Agreement describes the manner in which your Account fees will be deducted. Additionally, you should know the following, as agreed to in the Client Agreement:

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

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

ABILITY TO OBTAIN PIA SERVICES SEPARATELY

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

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

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

- Your preference for an advisory or brokerage relationship;
- Your preference for a discretionary or a non-discretionary relationship;
- Your preference for a fee-based or commission-based relationship;
- The types of investment products that are available in each program or service;
- Whether a particular investment strategy offered in one program or service is available through another Merrill Lynch program or service;
- How much trading activity you expect to take place in your Account;
- How much of your assets you expect to be allocated to cash;
- Whether you wish to invest in mutual funds, and which mutual funds (if any) are available in particular programs;
- The frequency and type of client profiling reports, performance reporting and account reviews that are available in each program or service; and
- The scope of ancillary services that may be available to you in a brokerage account, but which are not available in an advisory program.

You should also understand that we are offering the Merrill Lynch Investment Advisory Program (the "MLIAP"), an investment advisory program with certain similar features to PIA, to clients and prospective clients with Financial Advisors and that PIA is generally closed to new account enrollments subject to exceptions in our sole discretion. We anticipate that existing clients in PIA will be able to remain enrolled until such time, in our discretion, that PIA is closed.

You should carefully consider if and when you will enroll in MLIAP. While MLIAP and PIA have certain similar features, there are important differences that should be discussed with your Financial Advisor. For example, PIA does not offer clients the ability to group assets held in multiple accounts in a portfolio and allow each portfolio and each account within a portfolio to be managed in accordance with a different objective or strategy type. Likewise, PIA does not have the same fee schedule as MLIAP. Some existing clients may find that the MLIAP fee schedule will result in a reduced advisory fee, while others may find that their advisory fee will increase. Fee rates that you negotiated with your Financial Advisor in PIA will not automatically be applied to any account that you enroll in MLIAP, and it is important that, in addition to the factors listed above, you discuss with your Financial Advisor how enrollment in MLIAP will affect these fees and the services that will be available to you.

OTHER FEES AND EXPENSES

PIA fees do not cover certain fees and expenses that may be incurred in connection with your Account, including, but not limited to, the following:

Wrap Fee Program Brochure

- Transaction charges resulting from trades effected through or with a broker-dealer other than us (or our affiliates);
- Mark-ups or mark-downs by such other broker-dealers;
- Transfer taxes;
- Margin interest;
- Redemption fees;
- Exchange or similar fees (such as for ADRs) charged by third parties, including issuers, and fees required by the SEC;
- Trust-related fees (including those affiliated with us);
- Issuers, electronic fund, wire or other account transfer fees;
- Fund fees and expenses;
- Annual investor fees and repurchase fees relating to ETFs; and
- Any other charges imposed by law or otherwise agreed to by you and Merrill Lynch.

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

PIA fees also do not include the fees and charges of your underlying Merrill Lynch Cash Management Account (CMA®), Retirement Cash Management Account (RCMA) or other securities account, except that the annual account fee will be waived while your Account is enrolled in PIA. Except in certain limited circumstances, we will not charge a commission on agency transactions. Commissions may be charged in connection with the sale of securities that are considered ineligible for PIA. Please refer to the section *Funding and Operation of PIA Accounts* for additional information as it relates to funding your Account and ineligible securities. Where principal transactions are permitted by law, we will not charge a mark-up/down from the prevailing market price on a per transaction basis for our execution services. However, principal transactions may be subject to a dealer spread (i.e., the difference between the bid and the offer price) that may result in additional compensation or other benefit to us. Principal transactions are generally not permitted for PIA accounts although may be under certain limited circumstances.

Investing in Funds

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

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

In addition to Service Fees, we and our affiliates receive fees paid by certain ETF or similar product sponsors or their affiliates for licensing or other arrangements. These fees, which are typically calculated as a

Wrap Fee Program Brochure

percentage of the assets of the ETF or similar product, are not generally borne by the Fund, but are instead paid directly from the sponsor or its affiliate to us and our affiliates.

Funds purchased in your Account should generally consist of a class of shares of Funds with no front-end or CDSCs or with such charges waived. The shares of the Funds that may be purchased for your Account may be subject to Rule 12b-1 fees paid by such Funds, all or a part of which may be retained by us or our affiliate except as described under the Retirement Accounts section of "Additional Information." Many of the Funds available through PIA are also available through brokerage services and other investment advisory services we offer.

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

Long/Short Strategies and Margin

We generally do not permit margin transactions in PIA Accounts except in limited circumstances. If you enroll an account into PIA with existing margin privileges, they may be discontinued.

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 herein. You should review carefully the terms, conditions and any related risk disclosures for such Lending Program and understand that such risks may be heightened in the event you hold a concentrated position in your pledged Account or if your pledged Account makes up all, or substantially all, of your overall net worth or investible assets. A collateral call could disrupt your Financial Advisor's investment strategy for the Account. You or your Financial Advisor may not be provided with prior notice of a liquidation of the securities in your pledged Account. You and your Financial Advisor 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 PIA fees 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.

Investment of Cash Balances

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

If cash balances are deposited in the Merrill Lynch Bank Deposit Program, Insured Savings Account Program or Retirement Assets Savings Program, cash will be placed in an account bearing a reasonable rate of interest, and the participating depository institution will benefit from its use of the deposits, and Merrill Lynch and its affiliate will receive compensation from the participating depository institution, including any Merrill Lynch Bank. Unless waived under applicable law, this compensation will be in addition to, and will not reduce, your PIA fee. 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.

Wrap Fee Program Brochure

Due to the additional economic benefit to us from cash investments as described above, a conflict of interest may exist. This conflict may be greater when you have selected a Financial Advisor who maintains higher cash balances in a PIA account. However, at times, your Financial Advisor 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. Your Financial Advisor will not be precluded by any of these conflicts from exercising their judgment in your best interest.

COMPENSATION FOR RECOMMENDING THE WRAP FEE PROGRAM

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

ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

CLIENT ELIGIBILITY

Investors and account types eligible to participate in PIA generally include, but are not limited to, individuals (retirement and non-retirement accounts), trust and estates (to the extent allowed by state law), charitable organizations, banks, Retirement Accounts, corporations, or such other participants as we determine in our discretion and in accordance with applicable law. PIA is generally closed to new account enrollments subject to exceptions in our sole discretion.

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

Offshore Funds are only available to people or entities that do not qualify as “U.S. persons” under Regulation S of the Securities Act.

ACCOUNT MINIMUMS

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

CLOSING A PIA ACCOUNT AND/OR TERMINATING THE CLIENT AGREEMENT

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

Your disability or incompetency will not automatically terminate or change the terms of your Client Agreement. Upon notification to us of your death, your Client Agreement shall terminate immediately. Your legal guardian, attorney-in-fact or other authorized representative may cancel the Client Agreement by giving written notice to us.

PORTFOLIO MANAGER SELECTION AND EVALUATION

PORTFOLIO MANAGER SELECTION

In PIA, we, acting primarily through your Financial Advisor, will generally act as the portfolio manager as described in the section *Description of PIA*. You are generally responsible for selecting the Financial Advisor.

Wrap Fee Program Brochure

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

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

If your PIA Financial Advisor no longer participates in PIA or is no longer employed by us, until your PIA Account is re-assigned to a PIA-qualified Financial Advisor, we will assign a qualified investment professional to assume responsibility for the day-to-day management of your PIA Account. If your PIA Account is transferred to another PIA Financial Advisor, the newly assigned PIA Financial Advisor may request that you are re-profiled. If your Account cannot be readily transferred to another Financial Advisor, your Account may be managed in accordance with a Proprietary Model Portfolio Strategy at our discretion or we may terminate enrollment of your Account from PIA.

REVIEW OF PORTFOLIO MANAGERS PARTICIPATING IN PIA

Review of Portfolio Managers

Financial Advisors participating in PIA are subject to eligibility requirements as set forth by us and as described above.

Financial Advisors utilizing a Proprietary Model Portfolio Strategy are not required to obtain additional approvals with respect to the use of such strategy. All Financial Advisors creating and utilizing Financial Advisor-Created Strategies must articulate, through the program's application and approval process, a reasonable investment philosophy which can be implemented through a strategy in the PIA program. For Financial Advisor-Created Strategies that we categorize as Defined Strategies, the Financial Advisor must set forth the general parameters of the strategy in an Investment Strategy Questionnaire (ISQ) as part of the Defined Strategy approval process.

All Financial Advisors who have been approved for the PIA program for one year or longer undergo annual post-certification reviews by us. These reviews are designed to help determine whether a Financial Advisor's continued program eligibility is appropriate. The reviews are based on criteria set forth by us.

Financial Advisor-Created Strategies are also subject to ongoing review by us. Defined Strategies undergo periodic performance reviews at the strategy level. In addition, the securities holdings of all PIA accounts are reviewed for a number of parameters, including but not limited to, how they relate to an Account's overall investment objective. Please see the section *Review of Accounts* for additional information relating to account-specific reviews.

Performance Standards

The performance of any Defined or Personalized Strategy (as described above) will be based primarily upon your Financial Advisor's ability to develop and implement such Defined or Personalized Strategy. Before choosing a Defined or Personalized Strategy, you should perform your own assessment of the strategy to ensure you understand how it will be implemented by your Financial Advisor. There may be third-party manager strategies available to you through another advisory program offered by us that are similar to a Defined Strategy offered by your Financial Advisor.

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

While the Defined Strategy Profile provides general information, any past performance shown on the Defined Strategy Profile is not indicative of future results and is reflective of the strategy's Composite. A Composite is generally an aggregation of one or more accounts managed according to a similar investment mandate, objective, or strategy. It is important to understand that the Defined Strategy Profile depicts information relating

to the Composite and not any client-specific account. The performance of your assets invested pursuant to a particular Defined Strategy will likely differ from the information presented in the Defined Strategy Profile. Any changes to how the Defined Strategy is managed may materially impact the performance of your Account. Your Financial Advisor may decide, in his discretion, to manage the assets in a Defined Strategy in a manner that is different from the description provided in the Defined Strategy Profile without your consent.

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

Additionally, through Merrill Lynch's Composite Performance Reporting ("CPR") program, select PIA Financial Advisors are able to use composite performance reports representing their various PIA strategies which they may provide to existing and prospective clients. CPR also employs a composite construction and calculation methodology based on an aggregate grouping of accounts, all employing a similar investment style or objective. We have implemented specific policies and procedures for Financial Advisors participating in, and reports that are issued through, CPR, and have engaged a third-party vendor to assist in the verification of accounts that are part of CPR and their respective performance. For more information on the calculation methodology used by Merrill Lynch in the CPR program, please speak with your Financial Advisor.

RELATED PERSON PORTFOLIO MANAGERS – SELECTION AND REVIEW

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

Your Financial Advisor may purchase certain Related Funds. The Related Funds include those funds that are advised by Merrill Lynch's affiliates. We potentially benefit from our economic interest in Related Companies and our relationship with Bank of America whenever such entities or their affiliates receive compensation for providing investment advisory, administrative, transfer agency, distribution or other services to their Related Funds or other investment products. The extent of this benefit may be greater than when we or our affiliates do not have an economic interest in the firm providing such services. As a result, we may benefit from increased sales of Funds and other investment products of Related Companies and Bank of America affiliates for you to a greater extent than from increased sales of funds or investment products sponsored by other firms in which we and our affiliates do not have a similar economic interest or relationship.

RELATED PERSON PORTFOLIO MANAGERS – INFORMATION ABOUT ADVISORY SERVICES

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

In addition to PIA, Merrill Lynch offers a wide variety of investment advisory services. These include, but are not limited to, the following: Merrill Lynch Investment Advisory Program, Merrill Lynch Defined Contribution Investment Consulting Services, Merrill Lynch Fiduciary Advisory Services, Merrill Lynch Institutional Investment Consulting Program, and Merrill Lynch Strategic Portfolio Advisor® Service. Merrill Lynch also offers the following investment advisory services, however, like PIA, these are generally closed to new enrollments: Merrill Lynch Consults®, Merrill Lynch Unified Managed Account, and Merrill Lynch Personal Advisor® Program. Other advisory services are also offered by our affiliates. Impersonal investment advice (general advice not tailored to the specific needs of any individual) in the form of publications or research may also be available. In addition, we offer financial planning services, including Wealth Managed Analysis Report. More information about these programs and services is contained in the applicable Merrill Lynch brochure (or Merrill

Wrap Fee Program Brochure

Lynch Form ADV, Part 2A) and is available upon request or through the SEC's website at http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx. For more information about these or other services that are available, please contact your Financial Advisor.

Investment Restrictions

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

Wrap Fee Programs

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

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

PIA Financial Advisors do not directly provide discretionary investment advisory services through other wrap programs. However, Financial Advisors in PIA may provide non-discretionary investment advisory services through other Merrill Lynch advisory programs, such as the Merrill Lynch Personal Advisor® Program. Additionally, these Financial Advisors may also offer clients discretionary advisory services utilizing investment managers and/or mutual funds (which may include Related and Unrelated manager and Funds) through Merrill Lynch Investment Advisory Program, Merrill Lynch Consults®, Merrill Lynch Managed Account Service, Merrill Lynch Strategic Portfolio Advisor® Service and Merrill Lynch Unified Managed Account. However, as noted earlier, Merrill Lynch Consults®, Merrill Lynch Unified Managed Account, and Merrill Lynch Personal Advisor® Program are generally closed to new enrollments.

Performance-Based Fees and Side-by-Side Management

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

Methods of Analysis, Investment Strategies and Risk of Loss

Your Financial Advisor may utilize Proprietary Model Portfolio Strategies in managing your Account, which are developed and maintained by BofAML Global Research or GWIM CIO's analysis of companies and investment managers as appropriate, and implemented through PIA. BofAML Global Research and GWIM CIO utilize various securities analysis methods including fundamental, technical, quantitative and economic analyses. The main sources of information used are company management contacts, company releases, financial and trade newspapers and magazines, corporate rating services, annual reports and filings with governmental agencies. BofAML Global Research and/or GWIM CIO, in conjunction with PIA, assign to each Proprietary Model Portfolio Strategy a specified investment objective.

Your Financial Advisor may also implement a Financial Advisor-Created Strategy as described in the section *Description of PIA*. In implementing a Financial Advisor-Created Strategy, your Financial Advisor may utilize

Wrap Fee Program Brochure

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

In certain circumstances, including where BofAML Global Research does not have a research rating on a given security, your Financial Advisor may also use the research ratings of a Merrill Lynch approved third-party research provider to assist them in making investment decisions. Specifically, this allows your Financial Advisor to purchase equity securities that are not covered by BofAML Global Research but are rated “Buy,” “Hold” or “No Coverage” by the approved third-party for PIA accounts. Research providers may be utilized after appropriate review and screening by Merrill Lynch. Your Financial Advisor may also purchase debt securities that are rated as “investment grade” or “non-investment grade”, or securities which may not carry a rating. Fixed income investment ratings are sourced from third party rating agencies.

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

Voting Client Securities

As described in the section *Proxy Voting and Other Legal Matters*, you have the right to vote proxies for securities held in your Account(s) or to delegate proxy voting discretion to a proxy voting service.

PROXY VOTING AND OTHER LEGAL MATTERS

Summary of Proxy Voting Policies

As set out in your Client Agreement, Merrill Lynch generally will not exercise proxy voting discretion with respect to the securities (other than Specified Investments) held in your Account. To assist in voting proxies, the Committee has retained Institutional Shareholder Services, Inc. (“ISS”), an independent adviser that specializes in providing a variety of fiduciary-level proxy-related services to institutional investment managers, plan sponsors, custodians, consultants and other institutional investors. If you elect proxy voting services under your Client Agreement, you have delegated proxy voting discretion over the securities in your Account (other than Specified Investments) to ISS. ISS will generally vote proxies in accordance with its benchmark proxy voting guidelines and related procedures. ISS proxy voting guidelines and related procedures are updated annually and are available at <http://vds.issproxy.com/3584>.

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

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

Wrap Fee Program Brochure

manner that we believe is most likely to enhance the economic value of the underlying securities held in your Account and most likely to not adversely affect your interests.

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

While it is expected that we generally will seek to vote proxies in a uniform manner for all PIA accounts, the Committee may determine that the specific circumstances of a PIA account require that such PIA account's proxies be voted differently. In addition to the services described above as provided specifically by ISS, the Committee may also engage ISS for vote execution and recordkeeping services when it votes proxies directly.

We have adopted specific proxy voting procedures to address potential conflicts of interest, such as when proxies relate either to the parent or an affiliate of Merrill Lynch or to money managers or other clients of Merrill Lynch. When a potential conflict is identified, the proxy voting procedures require that the Committee

document and consider all relevant facts and circumstances, including the nature of the conflict and the expected economic significance to clients of the items subject to vote. After consideration of such facts and circumstances, the respective proxy voting committee may choose to manage the potential conflict by:

- Determining that the potential conflict does not apply to MLPF&S and proceeding to vote according to its proxy voting guidelines;
- Retaining an independent fiduciary to advise the proxy voting committee on how to vote;
- Passing the vote to a subcommittee solely consisting of members appointed by the chair of the proxy voting committee;
- Making a best efforts attempt to revert proxy voting authority to the client; or
- Not voting in instances where the committee determines that reversion of proxy voting authority and delivery of issuer-related material to the client is not possible due to timing or other circumstances.

In the event that a conflict arises with a Specified Investment and we are not able to render a vote for you, or a security that was a Specified Investment is no longer a Specified Investment and not covered by ISS' proxy voting services, then our authority to vote proxies with respect to such investment will terminate, and a best efforts attempt will be made to revert the authority to vote proxies with respect to such investment to you. In instances where we have determined that is not possible given timing or other circumstances, we will not vote.

As noted above, we have adopted proxy voting guidelines that represent the Committee's usual voting position on certain recurring proxy issues that are not expected to involve unusual circumstances. These issues include proposals related to:

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

The Committee may elect to vote a particular proxy in a manner contrary to its generally stated guidelines if

Wrap Fee Program Brochure

the Committee determines that doing so is, in the Committee's judgment, in the best interest of Merrill Lynch clients.

A copy of our proxy voting policies and procedures is available upon request. If you would like a copy of such policies and procedures, or if you would like information about how either Merrill Lynch or ISS voted with respect to securities held in your Account, you should contact your Financial Advisor or you may also access: <http://vds.issproxy.com/3584>.

ISS Voting Policies and Proxy Voting Guidelines (ISS Voting Policies) and Other Matters. ISS will vote proxies in accordance with the ISS Voting Policies - Benchmark Policy Recommendations unless you elect another available ISS Voting Policy. ISS Voting Policies are updated annually by ISS and are available via <http://vds.issproxy.com/3584> or upon request. ISS represents to us that the ISS Voting Policies are consistent with ERISA standards.

ISS has significant relationships with companies on which ISS also furnishes proxy voting advice to its clients who are shareholders of those companies. Information relating to ISS' significant relationships with companies whose securities are held in your Account is available by contacting us at dg.msg-proxy@ml.com. Additional information about ISS is available on ISS' website at www.issgovernance.com (currently under "Compliance" then "Due Diligence") or by contacting us at dg.msg-proxy@ml.com. ISS' ADV 2A firm brochure is also available at the SEC's website at www.adviserinfo.sec.gov.

On May 23, 2013, ISS consented to the entry of an administrative order issued by the SEC (the "SEC Order") on matters relating to policies and procedures to prevent the misuse of material, nonpublic proxy voting information of ISS' shareholder advisory clients. A copy of the SEC Order is available on the SEC's website at www.sec.gov. In the SEC Order, ISS was censured and ordered: (1) to pay a civil money penalty in the amount of \$300,000; (2) to cease and desist from committing or causing any violations and any future violations of Section 204(A) of the Advisers Act; and (3) to comply with the undertakings enumerated in the SEC Order. These ISS undertakings in the SEC Order were, among other things: (1) to retain, at ISS' expense, an independent consultant not unacceptable to the SEC staff (the "Consultant") to conduct a comprehensive review of ISS' supervisory and compliance policies and procedures reasonably designed to ensure that its proxy voting services business complies with the Advisers Act in connection with the treatment of confidential information, communications with proxy solicitors and gifts and entertainment; (2) to require the Consultant to submit a report that includes recommendations for any changes in or improvements to ISS' supervisory and compliance policies and procedures (the "Report"); and (3) to adopt and implement all recommendations included in the Report. In determining to accept ISS' settlement offer, the SEC considered remedial acts promptly undertaken by ISS and cooperation afforded the SEC staff.

In connection with the SEC Order against ISS, we conducted supplemental reviews of ISS and its policies and procedures and presented the results of such reviews to the Proxy Committees of Merrill Lynch and Managed Account Advisors LLC ("MAA"). Based upon these reviews our continued ongoing monitoring and evaluation of ISS, the Proxy Committees of Merrill Lynch and MAA determined to continue to make ISS available as the proxy voting service provider in PIA for those PIA clients who have elected, and who will elect, the delegation of their proxy voting authority to ISS.

CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Generally, at the time you enroll to open a PIA Account, you will be asked to complete the PIA Enrollment Documentation, which asks you to provide information, such as, but not limited to, your Account's investment objective, risk tolerance, liquidity needs, time horizon, investment restrictions and other relevant information.

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

Wrap Fee Program Brochure

Advisor will not be required to verify the accuracy of any such information. We will not have any responsibility to review, monitor, accept or adhere to any investment policy statement, plan document or similar document relating to your Account and that adherence to such investment policy statement or similar document is solely your responsibility.

CLIENT CONTACT WITH PORTFOLIO MANAGERS

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

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 August 20, 2018, the SEC announced that MLPF&S, without admitting or denying the findings, entered into a settlement related to willful violations of Sections 206(2) and 206(4) of the Advisers Act and Advisers Act Rule 206(4)-7. Specifically, the SEC's administrative order found: (1) a failure to disclose that the portfolio manager process employed in connection with a January 2013 termination recommendation was exposed to a conflict of interest (less than one-seventh (1/7) of 1% of total advisory accounts (approximately 1,500) were invested in the products subject to the termination recommendation); and (2) a failure to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act. In determining the appropriate sanctions, the SEC considered Merrill Lynch's remedial acts promptly undertaken and cooperation afforded the SEC staff. Merrill Lynch consented to the imposition of a cease-and-desist order, a censure, and disgorgement and a financial penalty totaling approximately \$8.8 million.

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 (½) 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

Wrap Fee Program Brochure

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 or at

http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx.

For purposes of Form ADV Part 2, certain Merrill Lynch management persons are registered as registered representatives or associated persons of Merrill Lynch. In the future, 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, ETFs, other derivatives, commodities and foreign exchange products; securities clearance, settlement financing services and prime brokerage; private equity and other principal investing activities; proprietary trading of securities, derivatives and loans; banking, trust and lending services, including deposit-taking, consumer and commercial lending, including mortgage loans, and related services; insurance and annuities sales and research across the following disciplines: global equity strategy and economics, global fixed-income and equity-linked research, global fundamental equity research, and global wealth management strategy. Bank of America is subject to the reporting requirements of the Exchange Act and additional information about Bank of America can be found in publicly available filings with the SEC.

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

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

Receipt of Compensation from Investment Advisers

As discussed above, your Financial Advisor may invest your PIA Account assets in Funds, including Related Funds, and receive Additional Compensation from Funds, their principal underwriters, investment managers or other agents in connection with such investments. This receipt of such Additional Compensation may provide an incentive for Financial Advisors to select certain Funds and, thus, poses a conflict of interest. In addition, Merrill Lynch and affiliates receive compensation from the Funds, their respective advisers and their affiliates for certain services relating to your Account and may have business relationships with the Funds, their respective advisers and their affiliates separate and apart from PIA. Please also see the section *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Funds and Related Investing* and the section *Client Referrals and Other Compensation* for related information.

Referral Arrangements

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

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 prevent the unauthorized disclosure of material nonpublic information and allow public side sales, trading and research activities to continue while other businesses within Bank of America possess material nonpublic information. Additionally, Bank of America maintains a Code of Ethics which provides guidelines for the business practices and personal conduct all associates and board members are expected to adopt and uphold.

Managing conflicts of interest is an integral part of Bank of America's risk management process. We believe that no organization can totally eliminate conflicts that exist explicitly or implicitly. Bank of America, including Bank of America Merrill Lynch's investment advisory business, evaluates its business activities and the actual and possible conflicts that may emerge from its activities on an ongoing basis. To the extent that existing or new business activities raise an actual conflict of interest, or even the appearance of a conflict, we endeavor to provide you with full and clear disclosure or to take action to avoid them.

Code of Ethics

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

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

Wrap Fee Program Brochure

- Obligation to report possible violations of the Code of Ethics to management or other appropriate personnel.

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

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

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

Participation or Interest in Client Transactions

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

Your Financial Advisor's portfolio selection decisions may be largely based on the research opinions of BofAML Global Research and also on opinions and guidance of GWIM CIO. We do, and seek to do, business with companies covered by BofAML Global Research and GWIM CIO and as a result, we may have a conflict of interest that could affect the objectivity of research and other investment-related reports as well as those securities that are purchased and/or sold in your Account which may be covered by such reports. In addition, Merrill Lynch, your Financial Advisor and other personnel may hold the securities of companies subject to such coverage. We may also provide bids and offers, and may act as principal market-maker to the same securities or issuers of securities held in your Account.

Principal, Agency-Cross and Cross Trades

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

We and our affiliates will ordinarily act as agent in executing transactions on behalf of PIA clients. Principal transactions are generally not effected in PIA accounts except in limited and appropriate circumstances and as permitted by law. Transactions in securities customarily traded in dealer markets (such as fixed-income or over-the-counter securities) that are purchased from or sold to broker-dealers other than us may include mark-ups/downs by these firms. If permitted by law, purchases of securities from an underwriter or dealer in a distribution will be effected at the public offering price. There may be instances when we or our affiliates may effect, as permitted by law, "agency-cross" transactions (*i.e.*, transactions in which we or our affiliates act as broker for both the parties to the transaction and adviser to only one of the parties) involving PIA or other advisory clients. Since we generally will receive compensation from each party to an agency-cross transaction there is a potential conflict between our responsibilities and loyalties to you and and the other party to the transaction. Any compensation received will be in addition to the PIA fee. Such compensation could create a potentially conflicting division of loyalties and responsibilities. Except where prohibited by law, by signing the Client Agreement, you give us permission to engage in agency-cross transactions for your Account. Consent to agency-cross transactions may be revoked at anytime by written notice to us.

Wrap Fee Program Brochure

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

Funds and Related Investing

As discussed above, PIA Financial Advisors may invest in Funds including Related Funds on behalf of PIA Accounts. Funds purchased in your Account will generally consist only of classes of shares with no CDSC or front-end sales loads (or with such charges waived). In addition, from time to time a Registered Fund that is a U.S. open end mutual fund may authorize us to make available to clients participating in PIA a class of shares of such Registered Fund with a lower fee structure than the share class that was previously made available in PIA. Where such conversion is available, we will effectuate an exchange to the class of shares of the same Registered Fund with the lower fee structure.

Each Fund or its respective principal underwriter or other agent has entered into agreements with us for the performance of sub-accounting and related services including recordkeeping, processing, reporting and dividend reinvestment services for shareholders of such Funds who maintain their shares in a Merrill Lynch securities account, including participants in PIA. We and our affiliates receive sub-accounting 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 sub-accounting and related service arrangements generally vary by Fund and vary between Offshore Funds and U.S. Funds. Depending on the Fund or its adviser's principal underwriter's or other agent's arrangement with us or our affiliate, we or our affiliate will receive from the Fund or a Fund's service provider or its affiliate, sub-accounting fees of either up to 0.15% per annum of the amount invested in such Fund or up to \$21 annually per Merrill Lynch client position in the Fund. These sub-accounting fee rates are subject to change from time to time. Sub-accounting fee rates may be received individually, or may be part of a "bundled" arrangement with a 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.

These fees are not paid directly out of a PIA account, but are either borne by the Fund, like other Fund expenses, or by the Fund's principal underwriter or other agent.

For Offshore Funds, MLPF&S and its affiliates perform similar distribution, marketing, shareholder servicing, sub-accounting and related services as described above for which MLPF&S and its affiliates receive asset based compensation from the Offshore Fund's distributor or other service provider.

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

Certain of the Funds that PIA Financial Advisors may purchase for your Account include Related Funds. Due to the additional economic benefit to Merrill Lynch, our Related Companies or their respective affiliates, as applicable, and, potentially, a Financial Advisor, from investments in Funds, a conflict of interest may exist. For Funds advised, sponsored or distributed by Merrill Lynch, a Related Company or their respective affiliates, Merrill Lynch, a Related Company or their respective affiliates, as applicable, will receive investment management fees and/or Rule 12b-1 fees or other service fees from the Funds. For other Funds, Merrill Lynch and its affiliates also may receive Rule 12b-1 fees or other services fees from the Funds. Rule 12b-1 fees generally cover shareholder servicing and distribution services relating to the Funds. We potentially benefit from our economic interest in Related Companies and our relationship with Bank of America whenever such entity or its affiliates receive compensation for providing investment advisory, administrative, transfer agency, distribution or other services to its affiliated Funds or other investment products. The extent of this benefit may be greater than when we or our affiliates do not have an economic interest in the firm providing such services. As a result, we may benefit from increased sales of Funds and other investment products of Related Companies and Bank of America affiliates for clients to a greater extent than from increased sales of funds or investment products sponsored by other firms in which we or our affiliates do not have a similar economic interest or relationship.

Wrap Fee Program Brochure

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. If available in the future, each of the mutual funds that are Related Funds would pay investment management fees to an Affiliate and, like other unrelated mutual funds, incurs other expenses. We or our Affiliates may also provide other services to mutual funds that are Related Funds for which they receive compensation such as transfer agency, administrative, shareholder servicing, accounting and printing services, as described in the mutual funds' prospectuses or Statements of Additional Information.

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

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

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

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 through PIA. 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 these 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

Wrap Fee Program Brochure

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. Please also see the section *Other Financial Industry Activities and Affiliations - Receipt of Compensation from Investment Advisers* and the section *Client Referrals and Other Compensation* for related information.

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

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

Retirement Accounts

PIA Accounts established for Retirement Accounts, which have investments in shares of Related Funds, will have their Account's pro-rata share of the advisory fees paid by the Related Fund to our affiliated persons to be used to offset the PIA fees payable to us pursuant to the Client Agreement, as required by applicable law. Retirement Accounts also will be credited, on a monthly basis, with the Account's pro-rata share of any Rule 12b-1 fees (calculated daily) and sub accounting fees paid by a Fund to us or our affiliate as required by applicable law. ETFs advised or sponsored by Related Companies may be considered Related Funds. Where required by applicable law, we will rebate the operating expenses for such ETFs in certain account types enrolled in PIA. Similarly, any portion of the investor fee paid by the issuer to us in connection with the issuance of ELEMENTS in excess of its costs in structuring ELEMENTS will be credited to the client's Retirement Account pro-rata on a monthly basis, as required by applicable law. If applicable, in accordance with your Client Agreement, you:

- Represent that you are independent of, and unrelated to, Merrill Lynch and our affiliates;
- Acknowledge receipt of the prospectuses or other required disclosure documents for the Related Funds, if applicable, and agree to acknowledge receipt of such documents in the event of any contemplated investment in Related Funds in the future;
- Approve the level of investment advisory and other fees paid by the Related Funds, if applicable, in relation to the fees payable pursuant to this Agreement; and
- Also acknowledge that you understand that you may revoke or modify this approval at anytime by notifying us in writing, which will be effective upon our receipt. Such notice should include instructions regarding the disposition of the proceeds of sale of Related Fund shares then held in your Account.

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 or your Financial Advisor, resulting in adverse tax and other consequences. In some instances, you or your Financial Advisor 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

Wrap Fee Program Brochure

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 Financial Advisor is required to liquidate securities he 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 Financial Advisor will seek to manage your Account as agreed to between you and your Financial Advisor, provided that, if a collateral call takes place, your Financial Advisor may not be able to manage your Account consistent with his/her 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 PIA fees 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 in a variety of limited partnerships as well as in other capacities for investment vehicles such as hedge funds and other investment funds in which our clients may invest or may be solicited to invest by us. These clients may also be PIA clients or our other advisory clients. The investments of the limited partnerships and other entities may vary but include, without limitation, real estate, futures, hedge funds and other alternative investments.

Other Financial Interests

We and our affiliates may have business relationships with the officers, directors or employees of a variety of clients, including corporations, pension and retirement plans, and other entities. These business arrangements may create a conflict of interest to the extent that these individuals have any role or influence in the hiring or retention of Merrill Lynch and our Financial Advisors or with respect to their compensation.

As described in the section *Other Fees and Expenses - Investment of Cash Balances*, we and our affiliates may receive additional economic benefit from cash investments in your Account, which creates a conflict of interest. This conflict may be greater if you have selected a Financial Advisor who maintains higher cash balances in your PIA Accounts or where you have elected the “no sweep” option for your free cash balances. However, at times, your Financial Advisors may believe that it is in your best interest to maintain assets in cash, particularly for defensive purposes in volatile markets. Your Financial Advisor will not be precluded by any of these conflicts from exercising their judgment in your best interest.

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

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.

Investment in Securities by Merrill Lynch and Our Personnel

We and our affiliates act in a variety of capacities to a wide range of clients. In addition to managing your Account and the PIA accounts of other clients (the number of which may vary), your Financial Advisor also may service brokerage or investment advisory accounts for clients who do not participate in PIA and may offer and provide other services to clients who, in addition to participating in PIA, have other relationships or dealings with us or our affiliates. From time to time, in the course of those duties, confidential information may be acquired that cannot be divulged or acted upon for advisory or other clients. Similarly, we may give advice or take action with regard to certain clients, including our PIA clients, which may differ from that given or taken with regard to other clients. This includes the advice given or actions taken with respect to certain securities, Funds or investment managers. In some instances, the actions taken by affiliates with respect to similar services and programs may conflict with the actions taken by us. This is due to, among other things, the differing nature of the affiliate's investment advisory service and differing processes and criteria upon which determinations are made.

Wrap Fee Program Brochure

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

We address these conflicts through disclosure in this Brochure. Moreover, our Financial Advisors are required to recommend investment advisory programs, investment products and securities that are suitable for each client based upon their investment objectives, risk tolerance, financial situation and needs. In addition, we have established a variety of restrictions, procedures and disclosures designed to address potential conflicts of interest – both those arising between and among accounts as well as between accounts and our business. For example, our personnel also are subject to personal trading restrictions as detailed in our policies and procedures and Code of Ethics. These policies and procedures and the Code of Ethics require our Financial Advisors to obtain preapproval for certain securities transactions, disclose their investment accounts, provide an annual holdings report, and provide a quarterly transaction report. Your Financial Advisor may, however, participate in block trades with you and/or other PIA clients as described in the section *Funding and Operation of PIA Accounts - Transactions in PIA Accounts*.

REVIEW OF ACCOUNTS

Account Reviews

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

For accounts that utilize Proprietary Model Portfolio Strategies, Financial Advisors are responsible for the management and review of the respective PIA Accounts in accordance with the Proprietary Model Portfolio Strategy that the Financial Advisor has selected for clients. In these instances, we monitor accounts for adherence to the selected Proprietary Model Portfolio Strategy.

Defined Strategies are also reviewed regularly, comparing the asset allocation ranges stated in a Defined Strategy's ISQ, to the actual asset allocation of the Defined Strategy's Composite.

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

Client Reports

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

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

Trade Confirmations

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

Wrap Fee Program Brochure

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

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

You may request, and we will provide to you at no additional cost, an interim update and further details concerning any transaction effected between periodic statements either by calling your Financial Advisor or, where you are enrolled in 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

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

Funds and/or Investment managers may pay for, or reimburse Merrill Lynch and its affiliates for, various costs arising from client and prospective client meetings, sales and marketing materials, and educational, training and sales meetings held with Financial Advisors and other personnel of Merrill Lynch and their affiliates relating to the Program and asset management generally. The investment managers may also make charitable donations or cover the costs of reasonable entertainment in connection with events sponsored by Merrill Lynch and its affiliates or related to clients. Funds offered through these investment managers may include Related Funds.

Some third-party vendors, including third party managers, distributors, and insurance companies, will periodically participate in MLPF&S or Affiliate-hosted internal training and education conferences, as well as conferences that MLPF&S or Affiliate may host for clients. The amount paid for participation is used to offset the expenses incurred for these events and cannot be reasonably allocated to any particular client. The amount paid by any third party vendor may vary. Based on our historical experience, the aggregate value of these payments to MLPF&S (and its Affiliates) in any particular year has represented less than ½ of one basis point (0.005%) of total customer assets that may be used to procure such vendors' products and services. Note that the level of vendor support is not dependent or related to the level of assets invested by you or any other of our clients in or with the products or services of the particular vendor. Neither MLPF&S nor its Affiliates incentivize Advisors to recommend one vendor's product over another vendor. Gifts and other Non-Monetary Compensation.

From time to time, third-party vendors, including third party managers, distributors, and insurance companies, may provide MLPF&S with non-monetary gifts and gratuities, such as promotional items (e.g., coffee mugs, golf balls, or gift baskets), meals and access to certain industry related conferences (collectively, "gifts"). Third-party vendors may also make charitable donations or cover the costs of reasonable entertainment in connection with events sponsored by MLPF&S or its Affiliates or related to clients. MLPF&S has implemented policies and procedures intended to identify, quantify and track gifts that MLPF&S receives. MLPF&S will report gifts received by it or its employees to the extent such amounts exceed the thresholds imposed by applicable regulations.

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

Wrap Fee Program Brochure

developed business protocols to satisfy the FINRA requirement that Bank of America be able to report in the aggregate information we have provided to clients and our representatives. Please also see the section *Other Financial Industry Activities and Affiliations - Receipt of Compensation from Investment Advisers* and the section *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Funds and Related Investing* for related information.

Compensation for Client Referrals

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

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

FINANCIAL INFORMATION

Not applicable.

Merrill Lynch Personal Investment Advisory® Program

Wrap Fee Program Brochure

GLOSSARY

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

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

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

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

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

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

“Bank of America” means Bank of America Corporation.

“BofAML Global Research” means BofA Merrill Lynch Global Research.

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

“CDSC” means contingent deferred sales charge.

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

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

“Composite” means an aggregation of one or more PIA accounts managed according to a similar investment mandate, objective, or strategy.

“Columbia Management” means Columbia Management Advisors, LLC.

“Committee” means the Proxy Voting Committee.

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

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

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

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

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

“ERISA Plan” means a plan subject to the 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 a Registered Fund that is an exchange-traded fund.

Merrill Lynch Personal Investment Advisory® Program

Wrap Fee Program Brochure

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

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

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

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

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

“GWIM CIO” means the Global Wealth and Investment Management Chief Investment Office.

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

“IRAs” mean individual retirement accounts.

“ISS” means Institutional Shareholder Services, Inc.

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

“NASD” means the National Association of Securities Dealers.

“NYSE” means the New York Stock Exchange LLC.

“Offshore Funds” means investment companies organized in jurisdictions not within the United States or its territories or possessions, not registered under the Investment Company Act of 1940 and whose securities are not registered under the Securities Act of 1933.

“Order” means an order issued by the SEC.

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

“PIA Enrollment Documentation” means the document that must be completed for a PIA account at the time of enrollment in PIA, as may be updated from time to time. “Proprietary Model Portfolio Strategy” means a proprietary model investment strategy created by Merrill Lynch investment professionals such as BofAML Global Research or IMG.

“REITs” means real estate investment trusts.

“Registered Fund” means any Fund that is registered under the Investment Company Act, including mutual funds, closed-end funds, ETFs, and Registered Money Market Funds or, if applicable, if a Fund is an Offshore Fund, it is qualified for offer and sale to the public in at least one jurisdiction.

“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.

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

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

“Retirement Account” means an ERISA Plan, a 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.

Merrill Lynch Personal Investment Advisory® Program

Wrap Fee Program Brochure

Internal Revenue Code of 1986, as amended.

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

“SEC” means the Securities and Exchange Commission.

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

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

“SIPC” means Securities Investor Protection Corporation.

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

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

“Unrelated Funds” means Fund shares that are not sponsored or advised by Merrill Lynch, Bank of America or a Related Company.

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

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