Merrill Lynch Balance Sheet Available Online

The most recent consolidated balance sheet of Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”) and its subsidiaries is available for viewing online at: http://totalmerrill.com/mlpfs. You may also request a free copy of the balance sheet by calling (800) MERRILL (637-7455), and asking to speak to a service representative. As a registered broker-dealer and Futures Commission Merchant, Merrill Lynch is subject to the net capital Requirements of Securities Exchange Commission (SEC) Rule 15c3-1, and Commodity Futures Trading Commission (CFTC) Regulation 1.17. Merrill Lynch has elected to compute the minimum capital requirement in accordance with the “Alternative Net Capital Requirement” as permitted by SEC Rule 15c3-1. At June 30, 2012, Merrill Lynch’s regulatory net capital as defined by Rule 15c3-1 was $10.794 billion and exceeded the minimum requirement of $684 million by $10.110 billion. In accordance with the Alternative Net Capital Requirements, Merrill Lynch is required to maintain tentative net capital in excess of $1 billion, net capital in excess of $500 million, and notify the SEC in the event its tentative net capital is less than $5 billion.

As of June 30, 2012, Merrill Lynch had tentative net capital and net capital in excess of the minimum and notification requirements.

For additional information, our most recent annual audit report is available for examination at our headquarters at One Bryant Park, New York, NY 10036 and at the Northeast Regional Office of the SEC.
A NOTE ON TAX-ADVANTAGED INVESTMENTS IN INDIVIDUAL RETIREMENT ACCOUNTS

Careful consideration should be given to tax advantaged investments held in your traditional IRA, Rollover IRA, Roth IRA, SEP (IRA) or SIMPLE (IRA):

- Tax exempt investments, such as municipal bonds, would become taxable as a distribution upon withdrawal from a traditional IRA, because IRA distributions are taxable regardless of the tax-exempt status of investments held in your account.
- Dividends and earnings on investments in foreign securities and foreign mutual funds may be subject to foreign tax withholding. The withholdings are often ineligible for the U.S. foreign tax credit if the underlying securities are held in tax-exempt accounts, including IRAs. As a result, the effective yield on foreign securities and foreign mutual funds held in your IRA may be lower than the effective yield of identical investments held in a non-retirement account.

You may find it preferable to hold tax-exempt or foreign investments in a taxable investment portfolio, should you have one, instead of your IRA.

Please consult your tax advisor if you have questions regarding tax advantaged investments and your specific tax situation.

MUTUAL FUND DISCLOSURE PAMPHLET AVAILABLE

*Mutual Fund Investing at Merrill Lynch* provides information about the fees and expenses related to mutual funds available at Merrill Lynch, as well as the compensation that Merrill Lynch earns with respect to those funds. To receive a copy of this client disclosure pamphlet, please visit [http://www.ml.com/funds](http://www.ml.com/funds).

You may also call (800) MERRILL (637-7455) to request that a copy of this document be mailed to you.

IMPORTANT NOTICE: FEE CHANGE FOR DELIVERY OF SECURITIES

The Depository Trust & Clearing Corporation (DTCC) is the depository for virtually all US issued corporate securities held for customers of brokerage firms, banks and trust companies in the United States. In 2011, DTCC increased fees to brokerage firms, banks and trust companies from $50 to $500 for the issuance of physical stock certificates for US issuers that are not eligible for Direct Registration System (DRS), and continue to issue physical certificates. Therefore, beginning January 2, 2013, whenever a stock certificate is requested to be registered in client name or in the name of a third party, the fee for delivering certificates for these types of issues will be increasing from $50 to $500. This fee will be charged to your Merrill Lynch account.

In the event you are gifting these securities, you may avoid this certificate fee by transferring the shares via DTCC to the recipient’s brokerage account at another firm or if the recipient has an account at Merrill Lynch, the transfer can be processed internally by a journal entry. Please contact your Private Wealth Advisor for more information regarding these options.

Please note that approximately 500 issuers have chosen not to provide their shareholders with the option of having their holdings in DRS. It is important to note that a growing list of more than 700 publicly traded companies in the U.S. no longer offer physical stock certificates. For more information on DRS, go to DTCC’s website at [www.dtcc.com](http://www.dtcc.com) choose “Products & Services”, then “Asset Services”, then “Asset Servicing” for “Direct Registration System”.

If you plan to request a stock certificate for any reason, please check with your Private Wealth Advisor in advance to determine if this fee will pertain to your request.
Non-traditional funds are pooled investments, such as mutual funds or exchange-traded funds (ETFs), that employ alternative investment strategies. While traditional funds generally focus their investment strategies on long-term buy-and-hold stock and bond investing, non-traditional funds generally employ more complex trading strategies, such as selling securities short in anticipation of a drop in their price, using leverage and investing in options and futures. Some non-traditional funds also focus their investment strategies on investing in gold, commodities (such as copper and oil) or other real assets such as real estate. These strategies have generally been associated with alternative investment products such as hedge funds.

Today, non-traditional funds appear within the asset allocation categories of “Equity” or “Fixed Income” on the reports you receive from us (this includes your statements and performance reports), alongside any stock or bond funds you may already own. Later this year, targeted for December 2012, Merrill Lynch will change the asset allocation for non-traditional funds from “Equity” or “Fixed Income” to “Alternative Investments.” Merrill Lynch believes this will provide a better representation of your account’s asset allocation and the strategy these funds are employing. Non-traditional funds will continue, however, to be identified as pooled investments in the holdings section of your statement.

For more information on the use of non-traditional funds in your portfolio, please see the *Introduction to Non-Traditional Mutual Funds* publication and speak with your Merrill Lynch Private Wealth Advisor.

**Important Notice to Clients Who Are Executive Officers, Directors and Control Owners of U.S. Public Companies (Section 16 Affiliates)**

The Sarbanes-Oxley Act of 2002 and other reforms of recent years have created a host of new responsibilities for executive officers and directors of U.S. public companies and for financial services firms, like Merrill Lynch, that provide services to such public companies and their affiliates. It is important that individual clients who are executive officers, directors and 10% owners of U.S. public companies (“Section 16 affiliates”) make their status known to their Private Wealth Advisors so that transactions that require compliance with federal securities and other laws are handled properly and in accordance with the law. Section 16 affiliates should be aware of the following in particular:

1) When you open an account or otherwise establish a business relationship with Merrill Lynch for investment or other financial services involving your or your family’s personal assets or any collective investment account in which you own a beneficial interest, you have an affirmative obligation to disclose to Merrill Lynch your status as a Section 16 affiliate.

2) Whenever you have a change in status, such as a change of employment or election to the board of directors of a U.S. public company, such that you become a Section 16 affiliate, you have an affirmative obligation to notify Merrill Lynch of your new status.

3) Unless notified otherwise, Merrill Lynch will consider that all funds and assets maintained in your or your family’s personal accounts are solely your property. Your continued maintenance of an account with Merrill Lynch shall constitute your representation that no other person or entity has any interest in your account(s). In addition, you agree that at no time will any funds or assets of the U.S. public company of which you are an affiliate be invested through your account(s).

Please note that you are a Section 16 affiliate if you are required to file Forms 3 and 4 ownership reports with the U.S. Securities and Exchange Commission (SEC) with respect to your share holdings in a U.S. public company. As a Section 16 Officer or Director, you can also enroll for our Officer and Director Equity Service, a complimentary service which provides pre-trade clearance and post-trade e-mail confirmation for open market purchase and sale transactions done through Merrill Lynch. Speak with your Private Wealth Advisor about this service to assist you with making timely SEC reporting of your transactions.
EQUITY COMMISSION RATE CHANGES

Beginning November 1, 2012, Merrill Lynch Wealth Management is increasing its commission charges for equity trades in clients' full service brokerage accounts. Any commission charge is specific to each trade, can be discussed with your Financial Advisor, and will be included in your trade confirmation. These changes do not apply to fee based advisory accounts. Please contact your Private Wealth Advisor with any questions.

ANNUAL FEE FOR INDIVIDUAL INVESTOR ACCOUNTS*

Clients with Individual Investor Accounts (not Cash Management Accounts®, Beyond Banking® Accounts, Working Capital Management Accounts® (WCMA®), Business Investor Accounts (BIA), Endowment Management Accounts (EMA®) and International CMA® accounts) are reminded that the account has an annual fee of $65. The assessment of the annual fee depends on the date on which your account was opened:

- If you opened your account before January 1, 1998, you will be billed in January for the previous calendar year.
- If you opened your account after January 1, 1998, you will be assessed the fee on or about the anniversary of the date your account was opened.

The fee will be deducted from your account during the applicable billing cycle. If cash or assets in the account are insufficient to cover the fee, you will be billed directly.

* The fee only applies to accounts that are not associated with an Equity Plan and are not used to Exercise and Sell Employee Stock Options and/or receive Equity Awards such as Restricted Stock Units, Performance Shares, or shares from the Exercise of Stock Appreciation Rights. Additionally, the fee does not apply to active Limited Individual Investor Account participants.