



Market Access

The following is a transcript of an educational video prepared by Bank of America Merrill Lynch relating to Market Access Market-Linked Investments.

Market-Linked Investments

Client Education Video Series

MARKET ACCESS

Visuals/Motion Graphics

Audio



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I'm Brian Partridge of the Merrill Lynch Market-Linked Investments group.



MARKET-LINKED INVESTMENTS



MARKET DOWNSIDE
PROTECTION



MARKET-LINKED INVESTMENTS



ENHANCED INCOME



MARKET-LINKED INVESTMENTS



ENHANCED RETURN



At Merrill Lynch, we have **four** basic categories of Market-Linked Investments. Market Downside Protection, Enhanced Income, Enhanced Return, and Market Access.

In the other videos in this series, we've talked about how one advantage of **all** Market-Linked Investments is the way they can help you diversify a portfolio.

MARKET-LINKED INVESTMENTS

KEY MARKET ACCESS



PORTFOLIO DIVERSIFICATION



PORTFOLIO DIVERSIFICATION



As you know, portfolio diversification has long been one of the tenets of sound investing. Because economic conditions affect different asset classes differently, investors who have their assets spread among different asset classes generally do better over the long term than those who aren't as diversified.

Market-Linked Investments can help by linking your returns to the performance of certain asset classes, like commodities, that can be difficult for individual investors to access.



But the category we're going to talk about today, **Market Access**, can give you exposure to market indexes and asset classes that are even less accessible.



INVESTABLE
VOLATILITY
INDEX

One example of Market Access is an investment that lets you invest directly in market **volatility**.

Volatility is a common measure of market instability. Volatility tends to increase when equity markets are decreasing or unstable. So, an investment in volatility alongside your equity investments can dampen the impact of volatile markets on your portfolio.

The investment links to something called the Investable Volatility Index.



Here's a look at how this index performed from the start of 2008 through 2010. You can see that while the S&P 500 was essentially flat, volatility was up considerably.

Market Access Investments create value for investors by providing access to markets not readily available through traditional investments. There is no downside protection or enhanced returns with these types of investments, simply full upside and downside to the index.

So if markets stabilize and volatility calms down, these investments could **lose** money. Although, a stabilizing market presumably would be **good** for the **other** investments in your portfolio.

NO DOWNSIDE PROTECTION
NO ENHANCED RETURN

FULL UPSIDE
FULL DOWNSIDE



These investments essentially become a way of **balancing out the risks** in your portfolio.



Merrill Lynch has also offered other types of Market Access investments.

Another type might give you access to what's known as "**frontier markets**."



These are smaller countries in emerging market areas such as Africa, Asia and the Middle East

FRONTIER MARKETS



FRONTIER MARKETS



that are experiencing dramatic economic growth, but aren't easily accessible via traditional investments.

So, again, these investments are a way of adding diversification you wouldn't ordinarily have access to... and in some ways that could be especially effective today.

Of course, like all of the Market-Linked Investments we've talked about, Market Access investments involve benefits and risks.



BENEFITS
RISKS



The best way to know if these investments are right for **your** portfolio and **your** long-term strategy is to discuss the details with your Financial Advisor.

I'm Brian Partridge. Thanks for watching.

IMPORTANT NOTE

This Video provides an overview of Market Linked Investments and types of market linked investments available from Merrill Lynch. It does not provide the terms of any specific security proposed to be sold.

Merrill Lynch will furnish you with a prospectus that contains the terms of the relevant offering. Prior to any decision to invest, you should carefully read that prospectus for a detailed explanation of the terms, risks, tax treatment and other relevant information. Additionally, you should consult your accounting, legal or tax advisors before investing.

You should understand the nature of the MLI and the market environment related to the linked asset.

Before making a decision to invest, you need to understand the characteristics of the specific offering as well as the characteristics of the linked asset. Depending on the particular MLI, risk may include the loss of principal and the possibility that the investment will decline in value. Some Market Linked Investments have a cap or a limit on the upside participation in the appreciation of the linked asset.

MLIs are subject to the credit risk of the issuer of the note.

Market Linked Investments are obligations of the issuing company and like any debt security, you will be subject to credit risk of the issuer. Market Linked Notes are not secured and are not backed by FDIC insurance or other governmental support. Any returns, including the repayment of principal, are subject to the credit risk of the issuer of the Market Linked Investment, including those that are subject to downside market protection (or "principal protected").

MLIs may have limited liquidity depending on market conditions.

If you want to sell the note prior to maturity, Merrill Lynch is not obligated to make a secondary market in any Market-linked Investment.

Prior to selling any particular Market Linked Investment, the issuer will have filed a registration statement, including a prospectus, with the Securities and Exchange Commission (SEC) containing more complete information about the potential offerings of the type described in this Video. Before investing, you should carefully read the relevant prospectus and the other documents filed by the issuer with the SEC. You may obtain these documents without cost by visiting EDGAR on the SEC Website at www.sec.gov. Alternatively, the issuer or Merrill Lynch will arrange to have the documents sent to you by calling Merrill Lynch toll-free at 1-866-500-5408.