myFuture

The Source for Retirement Planning and Investing

Issue 1, 2009

Managing the stress of economic turmoil.

It's important to make a plan for dealing with the challenges you may be facing now, and to be prepared for possible challenges in the future.

Introducing your new retirement plan statement.

Introducing a new retirement plan statement enhanced with a fresh, easy-to-read design.

Benefits OnLine® spotlight

We are enhancing the Benefits OnLine Web site with new educational content, a cleaner, easy-to-read Home Page layout, and an improved navigation style to help you find what you need.

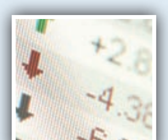
DEPARTMENTS

investor toolbox

Dollar cost averaging

You may be surprised at how it can help improve results even during volatile market cycles—and why it can work for you.

market beat



Linked up

Understanding the link between economic growth and stock market performance could help you choose how to save and invest.

Contacting Merrill Lynch

- Benefits OnLine: **www.benefits.ml.com**
- Changing jobs or retiring? To learn about distribution options, call the Retirement Education Services team at 1-877-637-1786

Managing the stress of economic turmoil for yourself and your family.

The current economic downturn has put pressure on millions of families. These pressures can intensify stress levels. That's why it's important for you and your family to be prepared for such challenges.

Create a plan

No matter how the economic downturn affects you, a plan can help you get through these tough times. It doesn't have to be formal. Just set aside time to put some ideas in writing with your spouse or significant other. Here are seven steps to take as you create your plan.

1. Create a budget.

Create a budget that reduces regular household expenses and eliminates nonessential spending. Review everything. Consider less expensive alternatives to name brand products or dropping or phasing out little-used services, perhaps a gym membership. Look for inexpensive or free activities and community services for yourself and your family, maybe a family "game night" rather than a night at the movies. Check out your local public library; in addition to books, many offer children's activities and DVDs. Focusing on family activities can have more than financial benefits; it could bring your family closer, which could make you feel more secure in these difficult times.

Choosing which expenses to cut

When it comes to cost cutting, be careful of what and where you cut. A modest increase in your "deductible" on your home or car insurance—and decrease in premiums—might make sense. But your cell phone and high-speed Internet service can be valuable tools if you are looking for a job. If your child carries a cell phone, consider switching to a prepaid plan that will curtail text messaging and excessive calling. And avoid the urge to skimp on important home maintenance; the cost of keeping your roof in good repair may be far less than the cost of replacing that roof down the line.

Continued on next page.

Continued from previous page.

If you're faced with severe hardship, you may already be considering much larger steps. Typically a household's biggest recurring expense is rent or mortgage payments. You may need to consider downsizing or selling your home or moving to a less expensive apartment.

It might even make sense to move to a new area of the country to take advantage of new opportunities. If you think moving might be an option, investigate the relative costs of housing in different areas and the job opportunities they might offer. Living expenses are the highest in the Northeast and along the California coast. In the South and the Midwest, housing is considerably cheaper. Look for a region that is growing, possibly an area where state or local government has offered tax incentives to major companies to relocate. The local labor market is often a major beneficiary in these areas.

Affordable communities

The top seven most affordable communities with population of at least 500,000, according to Sperling's Best Places, 2008:

- Wichita, KS
- Omaha, NE
- Harrisburg, PA
- Madison, WI
- San Antonio, TX
- Indianapolis, IN
- Pittsburgh, PA

2. Manage debts logically.

Once you've addressed spending, focus on your debts. To avoid serious consequences, prioritize your debt payments and pay the most important ones first—your mortgage or rent. If you are having trouble making payments on credit card debt, call your card company. You may be able to negotiate a more favorable payment schedule or a reduction in the amount you owe. But be wary of offers to consolidate debt by taking out a loan. Many of these offers involve fees and higher interest costs over time, which could make it even more difficult to get back on your feet.

3. Build an emergency fund.

If you're currently working, start an emergency fund. If you have an emergency fund, add to it. Your goal should be to set aside enough money to cover four to six months of expenses. Make it easy to get to your emergency funds by keeping them in a savings account or money market account. Don't tie up emergency money in a financial instrument that would impose a penalty for early withdrawal. Keep it liquid—don't invest in volatile investments, such as stocks or stock mutual funds.

4. Changing jobs? Keep your savings working tax-deferred.

If you lose your job or change jobs, resist the temptation to drain your retirement savings. If you "cash out," you'll have to pay taxes on your pre-tax contributions and any earnings, and possibly a 10% tax penalty if you're under age 59½. Consider keeping your money in your current plan (if your plan allows) or rolling it over to a new employer's plan (if available) or an IRA.

If you are facing a job transition or retirement, Merrill Lynch Retirement Education Services can help you understand your distribution options and help you implement your choice. **Call 1-877-637-1786.**

Continued on next page.

Continued from previous page.

5. Be proactive in the job market.

If you've lost your job or think you might, have a plan. Network with colleagues and friends and stay on top of online and community resources to help you learn about possible opportunities. A network of support can also keep your spirits up while you're looking. And if you do lose your job, immediately apply for unemployment benefits, if eligible. Remember that you paid taxes to fund that program.

Also consider opportunities for education and training. Local community colleges often offer vocational and retraining programs tailored to accommodate the schedules of older workers, and program fees are often very reasonable.

6. Take care of your health.

Be sure to take care of your physical and mental health. Recognize that you will need to deal with stress and anxiety, which can undermine your health and your work performance, or hold you back if you are searching for a new job.

You can relieve stress by eating right, exercising and getting enough sleep.

- Many people feel they just cannot take time to exercise with so many important things to do, but resist that feeling. Make exercise a part of your routine.
- Sleep is very important to staying healthy. Cut back on caffeine, if necessary, and stay with a routine sleep schedule. If sleep is difficult, see your doctor.
- Consider carefully before dropping health insurance—an illness or injury could be financially devastating.

Also be sure you continue getting routine medical and dental care. Keep your physician informed if you are worried about your job situation—job-related stress can lead to depression and anxiety. Know the signs—and get treatment before they get out of hand. A positive mental attitude can help you see past the current turmoil. It's also one of the best things you can take with you into a job interview or employment fair.

These steps are not only healthier, you'll feel better and look better.

Sources of stress

Money and the state of the economy are two of the top sources of stress for 80 percent of Americans, according to the American Psychological Association's 2008 Stress in America survey.

7. Discuss family financial plans with your children.

Two generations ago few parents discussed sensitive issues with their children. Finances, in particular, were taboo. But times have changed.

Your children are likely to learn about the economy's troubles on television, the Internet or through other media. They may also be discussing the economy and its impact on people in their classes at school. And, they may have overheard parts of conversations between you and your spouse. Experts agree that you should be frank

Continued on next page.

Continued from previous page.

and open in discussing your family's finances and what is happening in the economy with your children. Be honest. Be calm. And speak in terms they can understand.

Reassure your children that you have a plan of action—and enlist their help. Share the list of things you plan to sacrifice from your spending and ask them to volunteer ways they can spend less and help more around the house. By making today's challenges a family affair, you may become closer to each other and stay closer even when times get better. Just as important, the values you instill are likely to make your children more resourceful when they face their own challenges in the years ahead.

Put yourself to the test

Even if you feel you've already done everything you can to cut costs and limit spending, put yourself to the test. Track all expenditures for one month and review them with your family. Look for opportunities to save a little bit more. And, if you can avoid it, don't add a single dollar to your household debt until you have a plan for repaying it. Once you have your economic house in order, make a pledge to be financially prepared for whatever the future may bring. Continue to pay off your debt. Build savings that can help you weather the next storm. When everyone in the household is committed, it's easier to tackle the challenges and more satisfying to share the success.

To learn more about how you can create a budget and manage your credit and debt, visit www.benefits.ml.com > *Advice & Planning* > *Personal Finance*.

20091406
0309

Coming soon—your new retirement plan statement.

Saving for your future is important. That's why you want a retirement plan statement that's simple, clear and concise. And that's why our new retirement plan statement is enhanced with a fresh, easy-to-read design. We'll implement these changes in mid-2009.

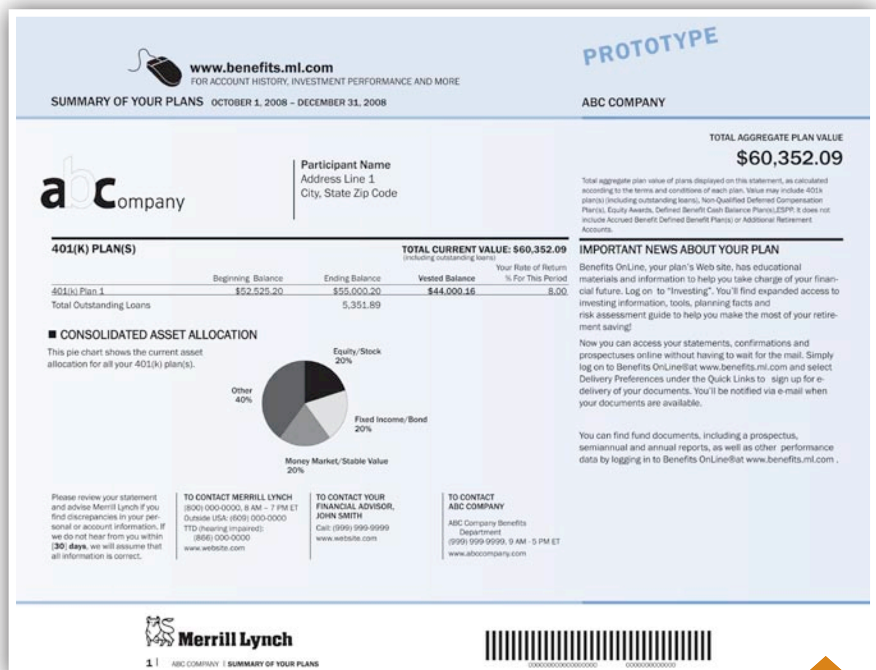
You'll get the big picture on page one

Your statement starts with an "at-a-glance" summary of each account included in the statement. You'll need only a few seconds to see:

- Your account balance at the start of the reporting period
- Your ending balance
- Your personal rate of return for the period
- Your asset allocation (how your 401(k) account is invested)

You'll find additional details inside the statement, and complete details on Benefits OnLine®, the plan's Web site.

(The following illustrations are 401(k) statement pages. If you participate in other types of plans at Merrill Lynch, those plans will be reflected on your statement, and some pages may vary from those shown here.)



www.benefits.ml.com
FOR ACCOUNT HISTORY, INVESTMENT PERFORMANCE AND MORE

PROTOTYPE

SUMMARY OF YOUR PLANS OCTOBER 1, 2008 – DECEMBER 31, 2008

ABC COMPANY

abc Company

Participant Name
Address Line 1
City, State Zip Code

TOTAL AGGREGATE PLAN VALUE
$60,352.09

Total aggregate plan value of plans displayed on this statement, as calculated according to the terms and conditions of each plan. Value may include 401k plan(s) (including outstanding loans), Non-Qualified Deferred Compensation Plan(s), Equity Awards, Defined Benefit Cash Balance Plan(s),ESPP. It does not include Accrued Benefit Defined Benefit Plan(s) or Additional Retirement Accounts.

401(K) PLAN(S) — TOTAL CURRENT VALUE: $60,352.09 (including outstanding loans)

	Beginning Balance	Ending Balance	Vested Balance	Your Rate of Return % For This Period
401(k) Plan 1	$52,525.20	$55,000.20	$44,000.16	8.00
Total Outstanding Loans		5,351.89		

CONSOLIDATED ASSET ALLOCATION

This pie chart shows the current asset allocation for all your 401(k) plan(s).

IMPORTANT NEWS ABOUT YOUR PLAN

Benefits OnLine, your plan's Web site, has educational materials and information to help you take charge of your financial future. Log on to "Investing". You'll find expanded access to investing information, tools, planning facts and risk assessment guide to help you make the most of your retirement saving!

Now you can access your statements, confirmations and prospectuses online without having to wait for the mail. Simply log on to Benefits OnLine®at www.benefits.ml.com and select Delivery Preferences under the Quick Links to sign up for e-delivery of your documents. You'll be notified via e-mail when your documents are available.

You can find fund documents, including a prospectus, semiannual and annual reports, as well as other performance data by logging in to Benefits OnLine®at www.benefits.ml.com .

Please review your statement and advise Merrill Lynch if you find discrepancies in your personal or account information. If we do not hear from you within [**30**] **days**, we will assume that all information is correct.

TO CONTACT MERRILL LYNCH
(800) 000-0000, 8 AM – 7 PM ET
Outside USA: (609) 000-0000
TTD (hearing impaired): (866) 000-0000
www.website.com

TO CONTACT YOUR FINANCIAL ADVISOR, JOHN SMITH
Call: (999) 999-9999
www.website.com

TO CONTACT ABC COMPANY
ABC Company Benefits Department
(999) 999-9999, 9 AM - 5 PM ET
www.abccompany.com

Merrill Lynch

1 | ABC COMPANY | SUMMARY OF YOUR PLANS

Enhanced statements are coming soon!
You'll receive your first new statement in mid-2009.

Continued on next page.

Merrill Lynch

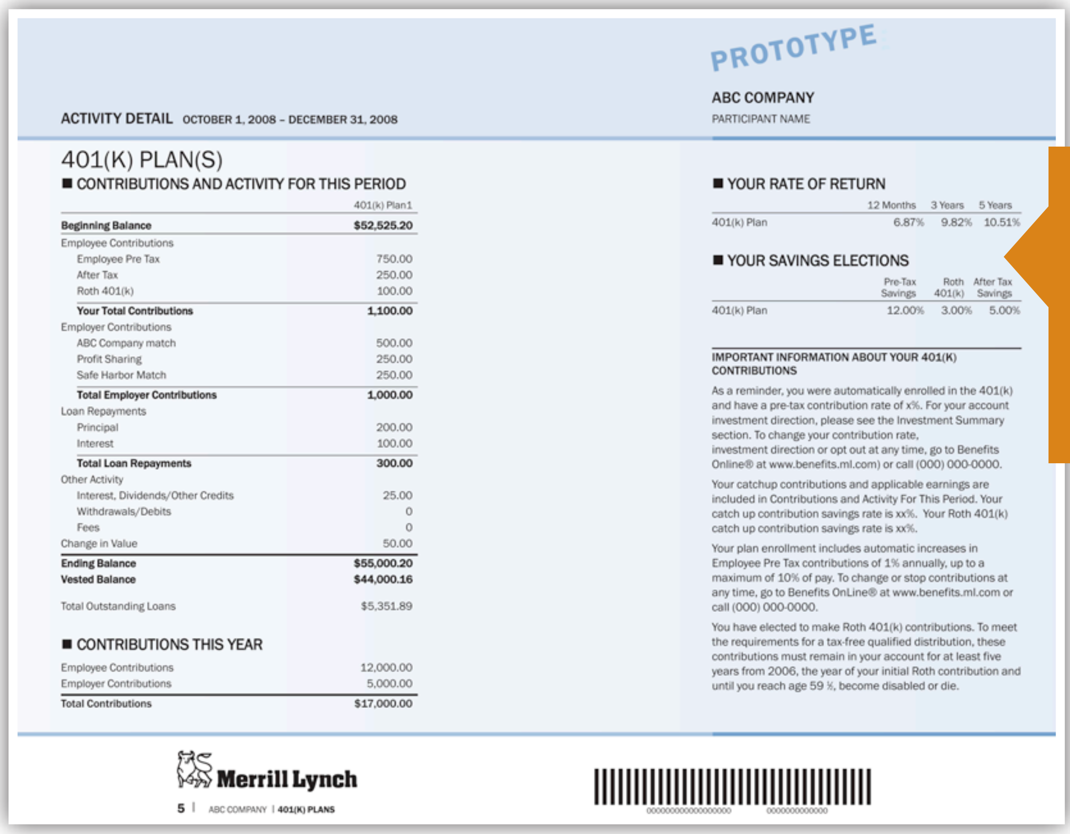
Continued from previous page.

Activity Detail section

Keep tabs on your recent contributions and other activity

The Activity Detail section starts with "Contributions and Activity for This Period." The page shown below expands the Beginning and Ending Balances from page one. You'll find such details as:

- How much you (and your employer, if applicable) contributed for the reporting period and year-to-date
- How much you are contributing each pay period
- Any loan repayments and your total outstanding loan amount, if any
- Changes in your balance such as interest, dividends and credits, as well as withdrawals, debits and fees
- The aggregate increase/decrease in your assets' market value ***and*** your personal rate of return*
- Other useful 401(k) information



PROTOTYPE

ABC COMPANY
PARTICIPANT NAME

ACTIVITY DETAIL OCTOBER 1, 2008 – DECEMBER 31, 2008

401(K) PLAN(S)

■ CONTRIBUTIONS AND ACTIVITY FOR THIS PERIOD

	401(k) Plan1
Beginning Balance	**$52,525.20**
Employee Contributions	
Employee Pre Tax	750.00
After Tax	250.00
Roth 401(k)	100.00
Your Total Contributions	**1,100.00**
Employer Contributions	
ABC Company match	500.00
Profit Sharing	250.00
Safe Harbor Match	250.00
Total Employer Contributions	**1,000.00**
Loan Repayments	
Principal	200.00
Interest	100.00
Total Loan Repayments	**300.00**
Other Activity	
Interest, Dividends/Other Credits	25.00
Withdrawals/Debits	0
Fees	0
Change in Value	50.00
Ending Balance	**$55,000.20**
Vested Balance	**$44,000.16**
Total Outstanding Loans	$5,351.89

■ CONTRIBUTIONS THIS YEAR

Employee Contributions	12,000.00
Employer Contributions	5,000.00
Total Contributions	**$17,000.00**

■ YOUR RATE OF RETURN

	12 Months	3 Years	5 Years
401(k) Plan	6.87%	9.82%	10.51%

■ YOUR SAVINGS ELECTIONS

	Pre-Tax Savings	Roth 401(k)	After Tax Savings
401(k) Plan	12.00%	3.00%	5.00%

IMPORTANT INFORMATION ABOUT YOUR 401(K) CONTRIBUTIONS

As a reminder, you were automatically enrolled in the 401(k) and have a pre-tax contribution rate of x%. For your account investment direction, please see the Investment Summary section. To change your contribution rate, investment direction or opt out at any time, go to Benefits Online® at www.benefits.ml.com) or call (000) 000-0000.

Your catchup contributions and applicable earnings are included in Contributions and Activity For This Period. Your catch up contribution savings rate is xx%. Your Roth 401(k) catch up contribution savings rate is xx%.

Your plan enrollment includes automatic increases in Employee Pre Tax contributions of 1% annually, up to a maximum of 10% of pay. To change or stop contributions at any time, go to Benefits OnLine® at www.benefits.ml.com or call (000) 000-0000.

You have elected to make Roth 401(k) contributions. To meet the requirements for a tax-free qualified distribution, these contributions must remain in your account for at least five years from 2006, the year of your initial Roth contribution and until you reach age 59 ½, become disabled or die.

Merrill Lynch
5 | ABC COMPANY | 401(K) PLANS

You can review all the details online... Details of all account activity are available on Benefits OnLine at: **www.benefits.ml.com**

* *These are estimates of your investment returns based on account data for the periods listed. The estimates were calculated using a widely accepted, time-weighted daily valuation method. The return is based on the results of your investment selections as well as account activity. Other methods of calculating returns may yield different results. Past performance is no guarantee of future results.*

Continued on next page.

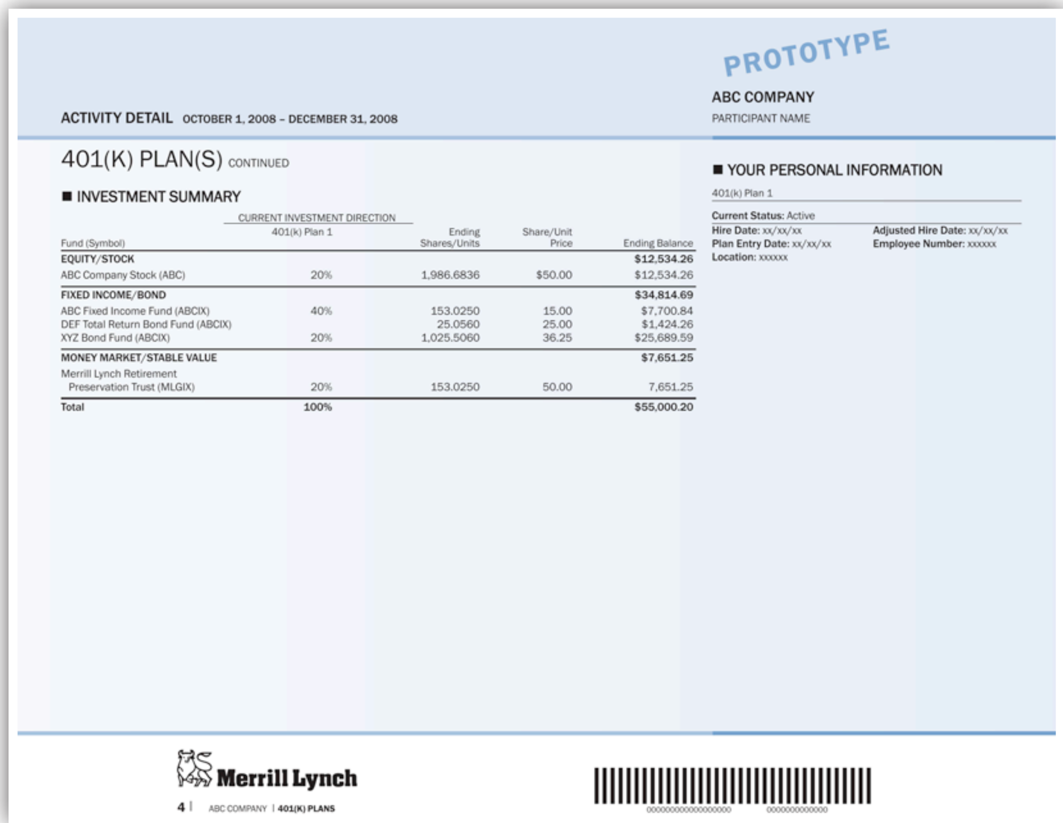
Continued from previous page.

Activity Detail section (continued)

Investment Summary

This page of the Activity Detail Section provides a fund-by-fund summary of your investments, grouped by asset class. You'll find:

- Fund names and ticker symbols (if any) to help you track each fund's performance
- The percentage of future contributions being invested in each fund
- The number of shares or units of each investment, and the price of each
- Your ending balance—the number of shares/units multiplied by their price
- Your personal information



PROTOTYPE

ABC COMPANY
PARTICIPANT NAME

ACTIVITY DETAIL OCTOBER 1, 2008 – DECEMBER 31, 2008

401(K) PLAN(S) CONTINUED

■ INVESTMENT SUMMARY

Fund (Symbol)	CURRENT INVESTMENT DIRECTION 401(k) Plan 1	Ending Shares/Units	Share/Unit Price	Ending Balance
EQUITY/STOCK				**$12,534.26**
ABC Company Stock (ABC)	20%	1,986.6836	$50.00	$12,534.26
FIXED INCOME/BOND				**$34,814.69**
ABC Fixed Income Fund (ABCIX)	40%	153.0250	15.00	$7,700.84
DEF Total Return Bond Fund (ABCIX)		25.0560	25.00	$1,424.26
XYZ Bond Fund (ABCIX)	20%	1,025.5060	36.25	$25,689.59
MONEY MARKET/STABLE VALUE				**$7,651.25**
Merrill Lynch Retirement Preservation Trust (MLGIX)	20%	153.0250	50.00	7,651.25
Total	**100%**			**$55,000.20**

■ YOUR PERSONAL INFORMATION

401(k) Plan 1

Current Status: Active

Hire Date: xx/xx/xx
Plan Entry Date: xx/xx/xx
Location: xxxxxx
Adjusted Hire Date: xx/xx/xx
Employee Number: xxxxxx

Merrill Lynch

4 | ABC COMPANY | 401(K) PLANS

000000000000000000 000000000000

Continued on next page.

myFuture
The Source for Retirement Planning and Investing

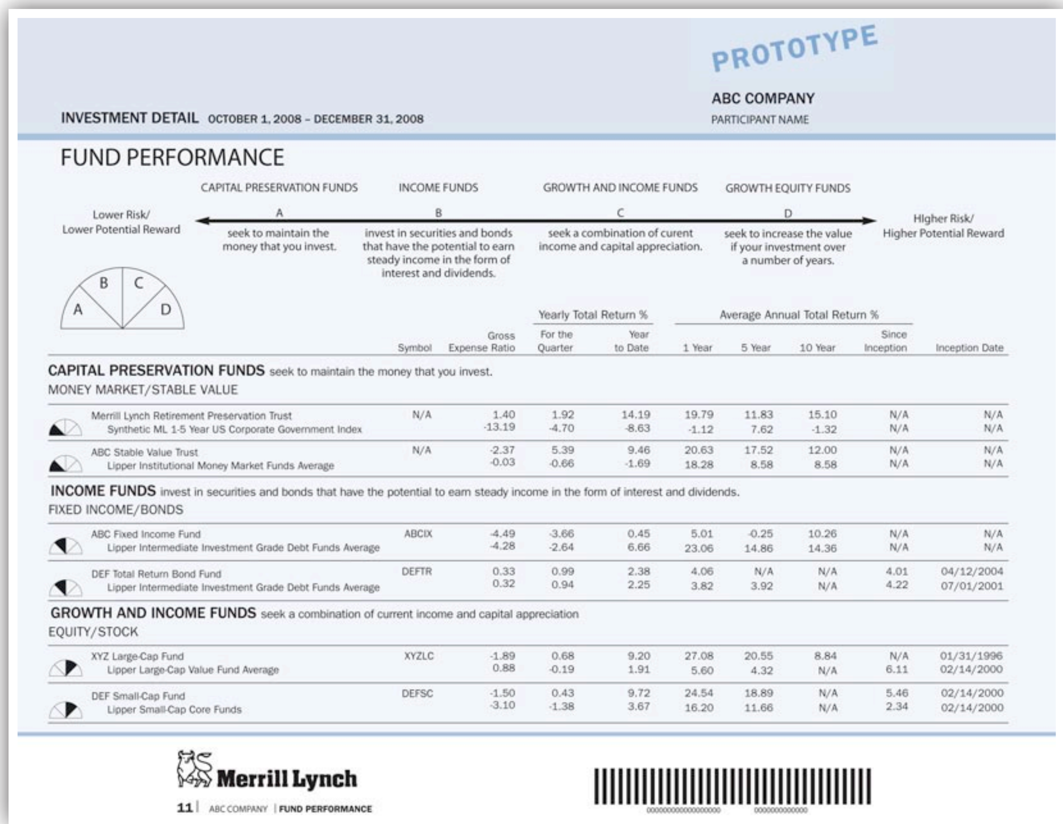
Continued from previous page.

Fund Performance section

Your statement will include a fund performance summary annually, including enhanced Risk/Reward graphics to help you compare the funds offered by your plan. Funds are grouped by asset class. You'll find:

- A large pie chart to help compare risk and reward characteristics for all types of funds
- Name and symbol (if applicable) for each fund
- Individual pie charts beside each fund name to show the risk/reward potential for the fund
- The gross expense ratio for each fund
- Fund performance for the quarter and year-to-date, as well as for one, five and ten years, and since inception (and the inception date)

For the most recent Fund Performance, visit Benefits OnLine. Under the 401(k) Plan, select *Investments > Investment Choices & Performance > Average Annual Total Returns*, or for a printable version, click *Account Information > Statements*.



PROTOTYPE

ABC COMPANY
PARTICIPANT NAME

INVESTMENT DETAIL OCTOBER 1, 2008 – DECEMBER 31, 2008

FUND PERFORMANCE

	CAPITAL PRESERVATION FUNDS	INCOME FUNDS	GROWTH AND INCOME FUNDS	GROWTH EQUITY FUNDS	
Lower Risk/ Lower Potential Reward	A	B	C	D	Higher Risk/ Higher Potential Reward
	seek to maintain the money that you invest.	invest in securities and bonds that have the potential to earn steady income in the form of interest and dividends.	seek a combination of curent income and capital appreciation.	seek to increase the value if your investment over a number of years.	

	Symbol	Gross Expense Ratio	Yearly Total Return % For the Quarter	Yearly Total Return % Year to Date	Average Annual Total Return % 1 Year	5 Year	10 Year	Since Inception	Inception Date
CAPITAL PRESERVATION FUNDS seek to maintain the money that you invest.									
MONEY MARKET/STABLE VALUE									
Merrill Lynch Retirement Preservation Trust	N/A	1.40	1.92	14.19	19.79	11.83	15.10	N/A	N/A
Synthetic ML 1-5 Year US Corporate Government Index		-13.19	-4.70	-8.63	-1.12	7.62	-1.32	N/A	N/A
ABC Stable Value Trust	N/A	-2.37	5.39	9.46	20.63	17.52	12.00	N/A	N/A
Lipper Institutional Money Market Funds Average		-0.03	-0.66	-1.69	18.28	8.58	8.58	N/A	N/A
INCOME FUNDS invest in securities and bonds that have the potential to earn steady income in the form of interest and dividends.									
FIXED INCOME/BONDS									
ABC Fixed Income Fund	ABCIX	-4.49	-3.66	0.45	5.01	-0.25	10.26	N/A	N/A
Lipper Intermediate Investment Grade Debt Funds Average		-4.28	-2.64	6.66	23.06	14.86	14.36	N/A	N/A
DEF Total Return Bond Fund	DEFTR	0.33	0.99	2.38	4.06	N/A	N/A	4.01	04/12/2004
Lipper Intermediate Investment Grade Debt Funds Average		0.32	0.94	2.25	3.82	3.92	N/A	4.22	07/01/2001
GROWTH AND INCOME FUNDS seek a combination of current income and capital appreciation									
EQUITY/STOCK									
XYZ Large-Cap Fund	XYZLC	-1.89	0.68	9.20	27.08	20.55	8.84	N/A	01/31/1996
Lipper Large-Cap Value Fund Average		0.88	-0.19	1.91	5.60	4.32	N/A	6.11	02/14/2000
DEF Small-Cap Fund	DEFSC	-1.50	0.43	9.72	24.54	18.89	N/A	5.46	02/14/2000
Lipper Small-Cap Core Funds		-3.10	-1.38	3.67	16.20	11.66	N/A	2.34	02/14/2000

Merrill Lynch

11 | ABC COMPANY | FUND PERFORMANCE

Continued on next page.

Continued from previous page.

Two ways to learn more about the statement now!

Use the links below to review the "How to Read Your Statement" guide. Choose the version of the guide that best matches your situation, depending on whether you have a 401(k) Plan only or have a 401(k) Plan plus another type of retirement plan.

For 401(k) Plan Only:

- **View** an Interactive Guide that will take you on a tour of the new statement.
- **View** a PDF to read at your convenience.

For 401(k) Plan plus Other Plan(s):

- **View** a PDF to read at your convenience.

Then watch for your new Retirement Plan statement, coming soon.

Note: These guides represent features typical to retirement plans and statements. You can review your actual statement on Benefits OnLine® at www.benefits.ml.com.

Review your statement and fund performance 24/7 on Benefits OnLine®

Your newest statement and fund performance are available virtually 24/7 on Benefits OnLine, the Plan Web site.

- Log on to **www.benefits.ml.com.**
- For current and prior statements, under the 401(k) Plan, click *Account Information* > *Statements*.
- A new statement will be posted following each reporting period. It may also be mailed to you at approximately that time. To view or print the most recent Fund Performance, under the 401(k) Plan, click *Account Information* > *Statements*.

20091406
0309

Benefits OnLine® spotlight

Benefits OnLine enhancements coming soon!

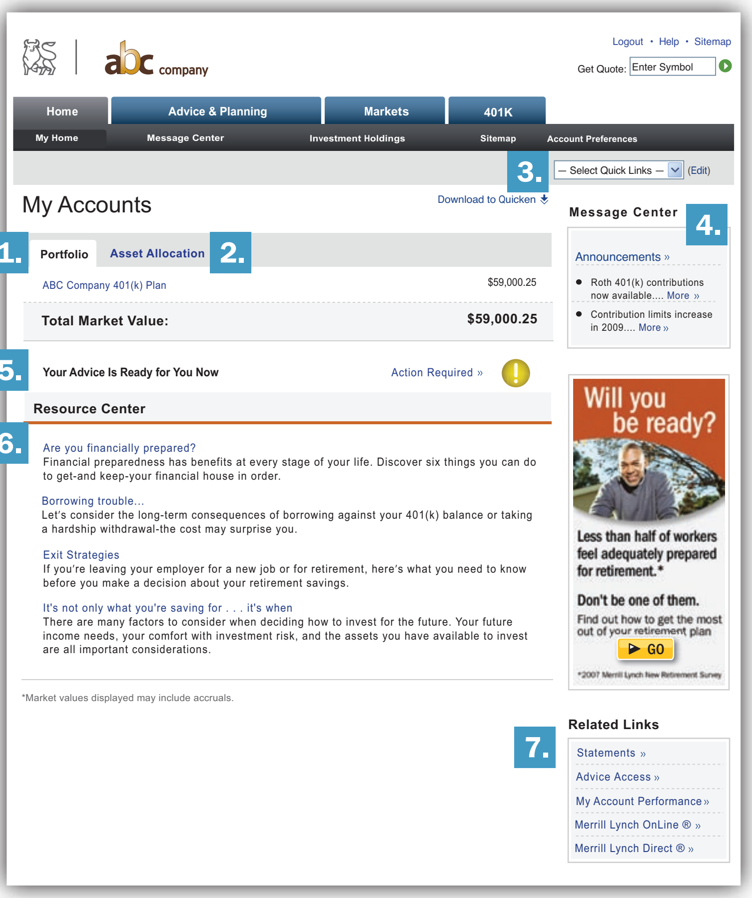
You've told us that you need more tools and information for making informed decisions, and that it should be easier to find these resources on the Benefits OnLine Web site. That's why we are enhancing the site—with new educational content, a cleaner, easy-to-read Home Page layout, and an improved navigation style to help you find what you need.

What's not changing

You'll still log in at **www.benefits.ml.com** and you'll continue to find all your account and transaction information in exactly the same place they've always been.

What you'll find on the new Home Page

1. **Portfolio Summary:** Includes each of your account(s) and the up-to-date balance in each.
2. **Asset Allocation:** Provides a pie chart showing how you've allocated your investments.
3. **Quick Links:** Lets you set up shortcuts to your favorite pages.
4. **Message Center:** Offers timely information on plan changes and related topics.
5. **Prominent links to the Merrill Lynch Advice Access service**, if available in your plan.
6. **Resource Center:** Presents topics of interest and facts to help you plan for the future and manage your retirement assets.
7. **Related Links:** Includes shortcuts to the Web site's frequently used pages and related sites with just one click.



Watch for these enhancements!

Continued on next page.

Continued from previous page.

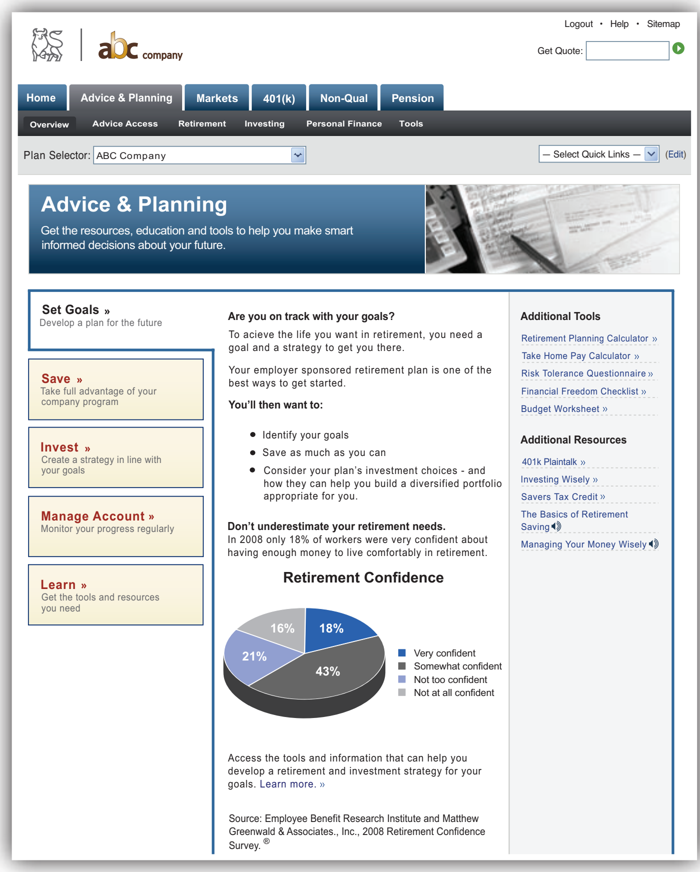
A new "Advice & Planning Overview" page helps you take charge of your financial future

The new Overview page offers you information, learning resources and planning tools that can help you take charge of your financial life now, and prepare for retirement.

What you'll find in the Advice & Planning Overview

Key information to help you:

- Set goals to help you build toward the retirement you have in mind
- **Save** effectively and take advantage of the plan
- **Invest** your plan assets and make informed decisions
- **Manage** your account and monitor your progress
- **Learn** more about preparing for your future and getting the most from your plan
- Access new links to tools and resources such as calculators, worksheets and e-learning presentations to help you learn and plan for the future



Other Advice & Planning tabs

You may use the top navigation bar to access in-depth information on:

- Retirement
- Investing
- Personal Finance
- Tools

Watch for new sections on College Planning and on Life and Family later in 2009.

Log on to Benefits OnLine anytime at www.benefits.ml.com.

20091406
0309

investor toolbox

The advantages of dollar cost averaging

The long-term advantage of regular contributions

The current economic turmoil has left many investors worried about their retirement savings. Yet, your 401(k) makes it easy to use a time-tested strategy called "dollar cost averaging." Even if you've heard the term before, you may be surprised at how you can benefit from it, even during volatile markets.

With dollar cost averaging, you invest a fixed amount of money at regular intervals, regardless of whether the market is up or down. Your contributions will buy more shares of a fund when the price is low and fewer shares when the price is high. The result: your average cost per share will be less than the average share price during any given period.

Hypothetical example

Assume that you invest $100 every month in the ABC Stock Fund, and that the price fluctuates. In this example, you would invest $200 and finish February with 16.66 shares, valued at $15 each.

	Share price when purchased	Investment amount	Shares purchased
January	$10	$100	10 shares
February	$15	$100	6.66 shares
Total	**N/A**	**$200**	**16.66 shares**

During this period, you bought more shares at $10 than you did at $15, so your average cost per share is less than the average market price. You would actually pay less than the average market price:

Average share price in the market: ($10 + $15) ÷ 2 = $12.50

Your average cost/share: $200 ÷ 16.66 shares = $12.00

Dollar cost averaging advantage = $.50 per share

Over the long term, dollar cost averaging may make a significant difference in the average cost per share of the funds in your account, which may improve your long-term results.

Continued on next page.

Merrill Lynch

Continued from previous page.

When markets decline

When an investment loses value, dollar cost averaging can mean that you'll lose less than if you'd made a single investment just before the market started falling.

For instance, assume the share price in our example had fallen after the end of the second month from $15 to $10. Remember, you had invested $200 in the shares. The value of your shares would drop to $166.60 (16.66 shares x $10). Your loss would be $33.40.

However, if you had invested the entire $200 when the price was $15, you would have bought only 13.33 shares. When the price dropped to $10, your total investment would be worth $133.30 (13.33 shares x $10). Your loss would have been $66.70. Dollar cost averaging can cushion your loss by lowering your average purchase price, compared to buying all at once.

Take full advantage of dollar cost averaging

Your 401(k) is an easy way to use dollar cost averaging. Consider saving as much as possible now in the plan. To make adjustments to your contribution rate, visit Benefits OnLine® at www.benefits.ml.com. Under the 401(k), select "Current Elections" and choose "Change Contribution Rate."

Dollar cost averaging does not ensure a profit or protect against loss in declining markets. Dollar cost averaging involves continuous investment regardless of fluctuating prices. Investors should consider their financial ability to continue purchases through periods of high or low price levels.

20091406
0309

market beat

Linked up

How the economy affects the stock market

The economy moves in cycles. And history shows a link between those cycles and stock market performance. So what could investors learn from understanding that link?

The economic cycle: what it is, how it works

Economic cycles generally have two parts: 1) expansion—a period of rising economic growth and 2) contraction—a period of declining growth. And when growth contracts so much that it falls for two consecutive quarters—and is negative—it is called a recession by the traditional definition. In the past 40 years, there have been five complete economic cycles, punctuated by recessions that ranged in length from six to 16 months (see table). We are now well into the sixth cycle in this series.

Economic cycle	Number of months in recession
1970-1975	16
1975-1980	6
1980-1982	16
1982-1991	8
1991-2001	8
2001-TBD	TBD

Source: National Bureau of Economic Research.

Anticipating recessions and rebounds

The link between the stock market and the economy has been established over many market cycles. The stock market tends to fall while the economy is still growing, as investors anticipate the end of a growth cycle as much as three to six months in advance. The first industry sectors to pull back are those linked to discretionary (or non-essential) consumer spending. As investors become more nervous about the economy, two sectors tend to hold up better than others: the health care sector and the consumer non-discretionary sector, or those companies whose products consumers need regardless of the economic environment (e.g., toothpaste).

However, once the economy is in recession, experienced investors begin to look ahead to the recovery. They may begin buying stocks they consider to be bargains, driving stock prices higher well before the overall economy rebounds. Of course, no one can predict just when a sustained recovery in the markets or economy may begin. But understanding the link between economic cycles and the markets could help you position your portfolio for any recovery.

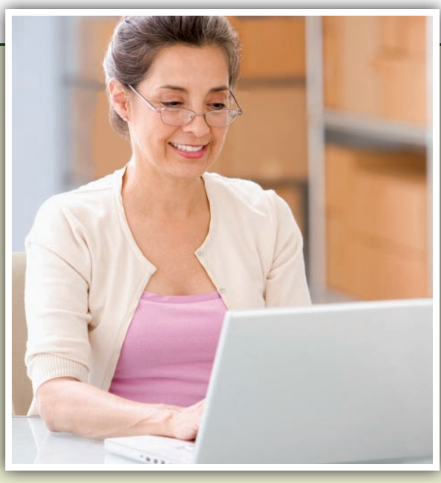
Continued on next page.

Continued from previous page.

Positioning yourself for the recovery

If you've stopped contributing to your retirement plan, or if you've reallocated much of your retirement plan account to very conservative investments such as cash equivalents, review your strategy regularly and consider these steps:

- Make sure your short-term strategy is consistent with your long term goals.
- If you've stopped (or decreased) contributions, begin saving again, or save more, as soon as you can to benefit from the advantages offered by your plan.
- If your plan offers employer matching contributions, try to save at least enough to receive the maximum match.
- Make sure your asset allocation is appropriate for your time horizon and retirement planning objectives.



Want to learn more about time-tested investment strategies?

Log on to Benefits OnLine® at **www.benefits.ml.com** > *Advice & Planning* > *Investing* to find tools and information that can help you develop and maintain your investing strategy.

Time to review or change your contributions or investments?

Log on to Benefits OnLine® at **www.benefits.ml.com** > *401(k) Plan* > *Current Elections* and follow the prompts.

Keep in mind that past performance is no guarantee of future returns and there is no assurance that a pattern of stock market performance will repeat itself.

20091406
0309