

Merrill Lynch Global Private Client Group Personal Investment Advisory Program

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Investment Styles: **Core & Energy-only Equity**
Manager: **Robert Preston**
Inception Date: **Core Equity 1/1/1998; Energy 1/1/2005**

Approach: **Long only**
Prime Broker: **Merrill Lynch**
Auditor: **Merrill Lynch**

	Core	Clean Energy
Lock-Up Period	None	None
Management Fee*	2.0%	2.0%
*see fee schedule		

Investment Objectives, Philosophy, Process & Characteristics

The investment objective is to outperform an appropriate index over a business cycle net of all fees, as well as, equate the stability/volatility of the index.

The investment philosophy is to actively manage the asset, geographic, sector and stock allocation. I believe in a fundamental top/down bottom/up approach based on original research. I also believe in the long-term macro trend of de-carbonization in the use of energy sources and its implications for most sectors of the economy. Market sentiment creates buy/sell opportunities.

The investment process begins with identifying an appropriate index that has demonstrated specific risk/return characteristics. Analysis of asset and geographic allocation is primarily driven by the ten-year U.S Treasury yield relative to the expected equity yield of the index. Sector analysis is driven by index sector weights where, in general, large sectors may be under/overweight by 50%/100% or small sectors may be 0% to triple weight. Stock selection is based on bottom/up fundamental analysis. Stock selection begins with a stock universe that has businesses related to energy de-carbonization. The buy criteria is based on a total return advantage to the index on a risk adjusted basis while the market sentiment is negative. The sell criteria is based on a total return disadvantage to the index while the market sentiment is favorable.

The investment characteristics are diversified holdings, macro energy biased, both value/growth and varied capitalization of approximately 25 low-correlated equity positions. No one stock position will hold more than 10% of the portfolio with the exception of Exchange Traded Funds.

Biography

Robert S. Preston is a Portfolio Manager in the Personal Investment Advisory program at Merrill Lynch. He has 25 years investment experience with senior positions at AXA, Union Bank of Tokyo, Nomura, Rothschild and Paine Webber. BA from Tulane University and MBA University of Edinburgh, Scotland. In 2001, he founded Craigmillar LLC, an investment company managing energy-related portfolios. In 1979, he founded American Solar Design, Inc., a company that financed, designed, built and managed solar thermal micro-utility in Northern California. He is a current board member of the Darragh Company, Dover Land Trust and the Northeast Sustainable Energy Association. Robert has written articles on energy technologies and speaks at "new energy" conference panels and lunches. A sample of articles are posted at www.Craigmillar.com. These opinions, articles and conference materials have not been approved by Merrill Lynch.

Net Performance for Core Managed Account (CMA)*

Year	CMA Total Return %	S&P500 Return %
1998	11.66	28.58
1999	36.00	21.02
2000	41.36	(9.10)
2001	(5.29)	(11.89)
2002	(34.09)	(22.10)
2003	53.78	28.69
2004	9.21	10.88
2005	20.31	4.91

Net Performance for Energy-only Account (EA)*

Year-to-Date
December 30th, 2005

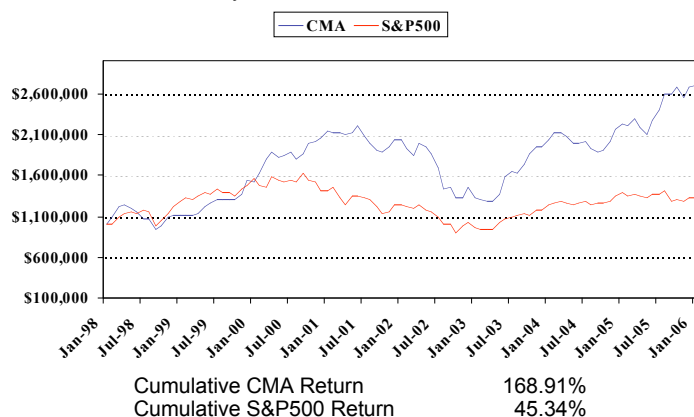
Energy-only Account (EA) **12.65%**
Wilderhill Clean Energy Index (ECO) **4.06%**

Assets under management as of December 30, 2005 **\$23,916,472***

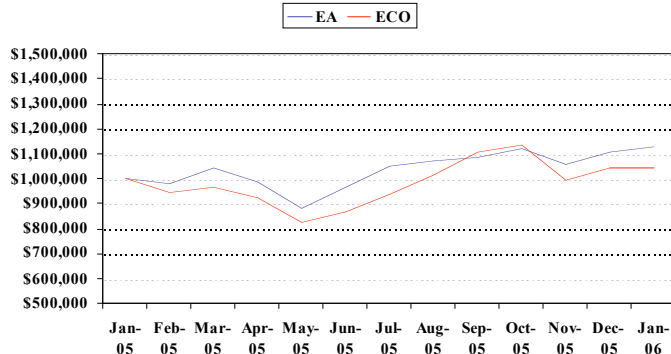
*Includes section PIA

*The performance data shown represents past performance, which is not a guarantee of future results. Please request full disclosures on the methodology for computing performance and index numbers..

Growth of \$1,000,000 Investment
January 1, 1998 – December 30, 2005



Growth of \$1,000,000 Investment
January 1, 2005 – December 30, 2005



The Energy-only portfolio is a natural component of the Core portfolio. The stock components of Wilderhill Clean Energy Index drive a proactive approach to