
ALIE STREET INVESTMENTS 6 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013



ALIE STREET INVESTMENTS 6 LIMITED

COMPANY INFORMATION

DIRECTORS

C. H. Hand
L. B. Lee
P. J. Wood

COMPANY SECRETARY

Merrill Lynch Corporate Services Limited

REGISTERED NUMBER

5395703

REGISTERED OFFICE

2 King Edward Street
London
EC1A 1HQ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

ALIE STREET INVESTMENTS 6 LIMITED

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ALIE STREET INVESTMENTS 6 LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

In accordance with The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the directors present their strategic report for Alie Street Investments 6 Limited (the "Company") for the year ended 31 December 2013.

BUSINESS REVIEW

The Company is a wholly owned subsidiary of Bank of America Merrill Lynch International Limited (formerly Banc of America Securities Limited) ("BAMLI") and the ultimate parent is Bank of America Corporation ("BAC").

The Company is engaged in asset backed lending.

There have been no changes in the principal activities of the Company during the year and the directors expect the principal activities will continue in 2014.

The Company holds a portfolio of listed bonds and receives interest on these bonds. The portfolio is being funded by BAMLI and is hedged with a total return swap with BAMLI. A new portfolio of \$48m was taken on in the year.

The Company receives a fee from BAMLI for the provision of operational support in relation to trading of the financial instruments under a service level agreement entered into with BAMLI. Under the same agreement, the Company pays BAMLI for management and other services performed on its behalf.

PRINCIPAL RISKS AND UNCERTAINTIES

Legal entity governance is built on the BAC comprehensive approach to risk management. BAC's risk management objectives and policies are described in the notes to the financial statements. The notes also describe the Company's applicable exposures in relation to the seven key risk types (market, credit, operational, liquidity, reputational, strategic and compliance risks), see note 13.

FINANCIAL KEY PERFORMANCE INDICATORS

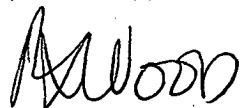
The profit for the year, after taxation amounted to \$6,000 (2012: \$6,000).

BAC manages its operations on a divisional basis. For this reason, the Company's directors believe that further key business performance indicators for the Company are not necessary.

This report was approved by the board on

17/6/2014

and signed on its behalf.



P. J. Wood
Director

ALIE STREET INVESTMENTS 6 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to \$6,000 (2012: \$6,000).

The directors do not recommend the payment of a dividend for the year ended 31 December 2013 (2012: \$nil).

DIRECTORS

The directors who served during the year were:

C. H. Hand
L. B. Lee
P. J. Wood

MATTERS COVERED IN THE STRATEGIC REPORT

Details regarding a review of the business, including future developments, principal risks and uncertainties and any significant events after the balance sheet date are provided in the strategic report on page 1.

ALIE STREET INVESTMENTS 6 LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the board on

17/6/2014

and signed on its behalf.



P. J. Wood
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALIE STREET INVESTMENTS 6 LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Alie Street Investments 6 Limited, comprise:

- The Balance Sheet as at 31 December 2013;
- The Profit and Loss Account for the year then ended; and
- The Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the DIRECTORS' REPORT AND FINANCIAL STATEMENTS to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements

ALIE STREET INVESTMENTS 6 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALIE STREET INVESTMENTS 6 LIMITED

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT**Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on Page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or the any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

H Varley

Heather Varley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

7 More London Riverside
London
SE1 2RT

Date: 12/6/14

ALIE STREET INVESTMENTS 6 LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 \$	2012 \$
TURNOVER	1,2	18,000	18,000
Operating expenses		(12,000)	(12,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	6,000	6,000
Tax on profit on ordinary activities	5	-	-
PROFIT FOR THE FINANCIAL YEAR	10	6,000	6,000

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

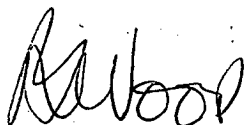
The notes on pages 8 to 14 form part of these financial statements.

ALIE STREET INVESTMENTS 6 LIMITED
REGISTERED NUMBER: 5395703

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	\$	2013 \$	\$	2012 \$
CURRENT ASSETS					
Debtors	6	48,684,249		44,600	
CREDITORS: amounts falling due within one year	7	(4,200)		(4,200)	
NET CURRENT ASSETS			48,680,049		40,400
TOTAL ASSETS LESS CURRENT LIABILITIES			48,680,049		40,400
CREDITORS: amounts falling due after more than one year	8	(48,633,649)		-	
NET ASSETS			46,400		40,400
CAPITAL AND RESERVES					
Called up share capital	9		100		100
Profit and loss account	10		46,300		40,300
SHAREHOLDERS' FUNDS	11		46,400		40,400

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



P. J. Wood
 Director 17/6/2014

The notes on pages 8 to 14 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. ACCOUNTING POLICIES

The principal accounting policies, which have been applied consistently throughout the current and prior year, are set out below.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practices (United Kingdom Accounting Standards and applicable law).

The financial statements have been prepared under the historical cost convention as modified to include certain securities and derivative financial instruments at fair value. The Company does not maintain historical cost information on items at fair value as this is not relevant to the operation of the business.

1.2 Going concern

The directors have a reasonable expectation, based on current and anticipated future performance that the Company will continue in operational existence for the foreseeable future. The financial statements of the Company have, therefore, been prepared on a going concern basis.

1.3 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the BAC group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 1 (Revised 1996) Cash Flow Statements.

1.4 Accounting standards

The Company has taken advantage of the exemption from financial instruments disclosures available in Paragraph 2D(a) of Financial Reporting Standard 29 Financial Instruments: Disclosures, as it is a subsidiary of BAMLI, which prepares group financial statements that include the Company and are publicly available as outlined in Note 14.

1.5 Foreign currencies

The financial statements are presented in US dollars which is the Company's functional currency.

Transactions in foreign currencies are translated into dollars at the rate ruling on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into dollars at rates of exchange ruling at the balance sheet date.

Exchange gains and losses are recognised in the Profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

1. ACCOUNTING POLICIES (continued)

1.6 Turnover

Revenue consists of interest income on financial assets designated at fair value, interest expense on the derivative financial instrument and service fees earned.

Interest income and expenses are recognised on all interest bearing financial assets and derivative financial instruments using the effective interest method. This is recorded on a net basis as the total return swap transfers the economic benefits and risks associated with the underlying portfolio to BAMLI

The total fair value gains and losses on the financial assets are offset by equal and opposite gains and losses on the total return swap, and therefore total net fair value gains and losses are always nil.

Service fees earned are calculated in accordance with a service level agreement between the Company and BAMLI. The service fees are accounted for on an accruals basis.

1.7 Current taxation

Current tax, including UK corporation tax and foreign taxes, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.8 Financial assets

The Company recognises financial assets in the balance sheet when it becomes a party to the contractual provisions of the instrument. The Company classifies its financial assets in the following categories: financial assets at fair value through profit and loss; loans and receivables and available-for-sale. Management determines the classification of its financial assets at initial recognition.

The Company holds listed debt securities which are classified as held for trading and measured at fair value through profit and loss. All remaining financial assets are classified as loans and receivables.

Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the profit and loss account in the period in which they arise.

1.9 Financial liabilities

The Company recognises financial liabilities in the balance sheet when it becomes a party to the contractual provisions of the instrument. Derivative liabilities are categorised as held for trading and are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured to their fair value. The fair value of the total return swap is based on the fair value of the underlying securities with changes taken to profit and loss. All remaining financial liabilities are carried at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

2. TURNOVER

The whole of the turnover is attributable to one principal business activity comprising the Global Markets Credit Products. Turnover consists of service fees receivable from BAMLI.

All turnover arose within the United Kingdom.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Statutory auditors' fees of \$10,389 for the year ended 31 December 2013 (2012: \$10,566) are borne by another group undertaking.

4. STAFF COSTS

The Company has no employees other than the directors, who did not receive any remuneration (2012: \$nil).

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2013 \$	2012 \$
UK corporation tax charge on profit for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012: lower than) the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013 \$	2012 \$
Profit on ordinary activities before tax	6,000	6,000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	1,395	1,470
Effects of:		
Group relief	(1,395)	(1,470)
Current tax charge for the year (see note above)	-	-

ALIE STREET INVESTMENTS 6 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

6. DEBTORS

	2013 \$	2012 \$
Amounts owed by group undertakings	50,600	44,600
Prepayments and accrued income	89,286	-
Securities held for trading	48,544,363	-
	<u>48,684,249</u>	<u>44,600</u>

The securities held for trading consists of listed debt with a notional value of \$48,358,000 (2012: \$nil).

**7. CREDITORS:
Amounts falling due within one year**

	2013 \$	2012 \$
Amounts owed to group undertakings	<u>4,200</u>	<u>4,200</u>

**8. CREDITORS:
Amounts falling due after more than one year**

	2013 \$	2012 \$
Amounts owed to group undertakings	48,113,942	-
Derivative financial instruments	430,421	-
Accruals and deferred income	89,286	-
	<u>48,633,649</u>	<u>-</u>

Derivative financial instruments represent a total return swap which passes the mark to market movements on the value of the underlying securities to BAMLI.

9. CALLED UP SHARE CAPITAL

	2013 \$	2012 \$
Allotted, called up and fully paid		
100 Ordinary shares of \$1 each	<u>100</u>	<u>100</u>

ALIE STREET INVESTMENTS 6 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

10. RESERVES

	Profit and loss account \$
At 1 January 2013	40,300
Profit for the financial year	6,000
	<hr/>
At 31 December 2013	46,300
	<hr/>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2013 \$	2012 \$
Opening shareholder's funds	40,400	34,400
Profit for the financial year	6,000	6,000
	<hr/>	<hr/>
Closing shareholder's funds	46,400	40,400
	<hr/>	<hr/>

12. RISK MANAGEMENT**Legal entity governance**

Legal entity governance is built on the Bank of America Corporation ("BAC") approach to risk management as documented in the BAC risk framework. BAC takes a comprehensive approach to risk management by fully integrating risk management with strategic, financial and customer/client planning so that goals and responsibilities align.

The risk management approach has five components:

- Risk culture;
- Risk appetite and philosophy;
- Risk governance and organisation;
- Risk transparency and reporting; and,
- Risk management processes.

The seven key types of risk faced by BAC Businesses as defined in the Risk Framework are market, credit, operational, liquidity, reputational, strategic and compliance risks.

Set out below is a summary of the Company's approach to its key risk types.

Market Risk

All market risk is transferred to the parent company via Total Return Swaps, so the Company has no exposure to market risk.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

12. RISK MANAGEMENT (continued)

Credit risk

The Company defines credit risk as the loss arising from the inability or failure of a borrower, issuer or counterparty (collectively "counterparty") to meet its obligations. Credit risk can also arise from operational failures that result in an erroneous advance, commitment or investment of funds. The credit exposure to a counterparty is defined as the potential loss arising from all product classifications including loans and leases, derivatives, other extensions of credit.

BAC has established policies and procedures for mitigating credit risk on principal transactions, including establishing and reviewing limits for credit exposure, maintaining collateral, purchasing credit protection and continually assessing the creditworthiness of counterparties.

The main source of credit risk for the Company is affiliate credit risk arising from hedging its portfolio of assets with its parent company via Total Return Swaps. Additionally, credit risk is derived from the recovery of certain management fees from its parent company.

Liquidity risk

Liquidity risk is the potential inability to meet contractual and contingent financial obligations, both on or off balance sheet, as they come due. Liquidity risk relates to the ability of an entity to repay short-term borrowings with new borrowings or assets that can be quickly converted into cash while meeting other obligations and continuing to operate as a going concern. The Company maintains intercompany loans and other relationships with affiliates to provide funding for its activities as required.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for its immediate parent company and benefits for other stakeholders, to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may change the amount of dividends paid to its immediate parent company, return capital to its immediate parent company, issue new shares or sell assets to reduce debt.

Due to the straight forward nature of the Company, minimal capital management is required.

13. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption from related party disclosures available in Paragraph 3(c) of Financial Reporting Standard 8 - Related Party Disclosures, as both the Company and the related parties are wholly owned subsidiaries and the consolidated financial statements of the ultimate parent company are publicly available as noted below.

There were no related party transactions other than those with affiliated companies covered by the exemption noted above.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent is Bank of America Merrill Lynch International Limited ("BAMLI"), a company incorporated in the United Kingdom. The Company's ultimate parent and controlling party is Bank of America Corporation ("BAC"), a company organised and existing in the State of Delaware in the United States of America ("U.S.A").

The largest group into which the Company's financial statements are consolidated is that of BAC. Copies of BAC's consolidated financial statements can be obtained from the Corporate Secretary's office, 214 North Tryon Street, Charlotte, North Carolina, 28202, U.S.A

The smallest group into which the Company's financial statements are consolidated is that of BAMLI. Copies of the group financial statements of BAMLI are available from the Company Secretary, 2 King Edward Street, London, EC1A 1HQ.