GLOBAL
INSTITUTIONAL
CONSULTING

Chart Book Outlook Summary
Chief Investment Office

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Bank of America
Merrill Lynch

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Chief Investment Office – Portfolio Strategy

TACTICAL SHIFTS

June 2018:

- Lowering our International Developed Markets exposure to neutral as we become more cautious given rising political risks and weaker growth. The balance of exposure will shift to U.S. equities.

March 2018:

- Lowering our Small Cap exposure slightly in order to fund an increase in Large Caps given the valuation adjustment that has occurred in the U.S. Large Cap stocks.

January 2018:

- Moderated our view of U.S. municipals to neutral as muni-to-Treasury ratios are less compelling vs. last year

EQUITIES

- We are positive global equities with the expectation of higher nominal growth boosting corporate profits, along with gradually rising inflation and interest rates.
- We continue to favor a barbell strategy of exposure to U.S. equities for higher quality and to Emerging Markets (EMs) for higher beta/risk exposure, especially for long term patient investors. Structurally, we see rising demand from EM consumers.
- We are cautious on Europe given a weak growth backdrop and higher political risks.
- We like large caps, such as multinational companies; we favor technology and healthcare as sectors; financial stocks appear to be attractive.

CIO THEMES

- ✓ Secular stagnation to fiscal reflation and synchronized economic expansion continues
- ✓ Equities remain attractive vs. Fixed Income on relative basis
- ✓ Continue with high quality in Fixed Income. Short term yields have become more attractive
- ✓ There is long-term value with Emerging Markets given significant valuation discounts

FIXED INCOME

- We are neutral to slightly short duration, balancing expectations for higher rates with periods of flight-to-quality (e.g., trade tensions, Emerging Market sell-off).
- Prefer credit to Treasurys, emphasizing corporates—particularly banks—although the relative value of credit has moderated. Some allocation to Treasurys for liquidity and relative safety is advised.
- Compressed yields and risk premiums around the globe present unfavorable risk/reward conditions for non-U.S. fixed income.
- Prefer actively managed strategies that are higher in credit quality. Within high yield, an allocation to floating rate, secured bank loan strategies is advised.
- U.S. Investment Grade Tax-Exempt offers good relative value for tax-sensitive investors, particularly those in high-tax states.

ALTERNATIVE INVESTMENTS*

- We maintain our moderately positive view on long/short equity, equity market neutral strategies and merger arbitrage strategies within hedge funds.
- We recommend investors plan a disciplined multi-year commitment private equity strategy that builds portfolio diversity among different managers, styles, geographies and, importantly, vintages.
- We place emphasis on direct real estate investments in well-located properties in strong regions of the country that exhibit attractive rent roll and cash flow characteristics, and have the potential to bridge into the next cycle, providing a long-term hedge against inflation.
- Over the long term, we expect tangible assets to benefit portfolios through increasing portfolio diversification, protecting against the corrosive effects of inflation, producing growing streams of investment cash flow and providing favorable social impact opportunities.

***Many products that pursue Alternative Investment strategies, specifically Private Equity and Hedge Funds, are available only to pre-qualified clients.** Asset Allocation and diversification do not ensure a profit or protect against loss in a declining market. Source: GWIM Investment Strategy Committee (ISC) as of September 2018. **Please refer to appendix for asset class proxies and index definitions.**

OVERVIEW

CIO Asset Class Strategy Views

Negative · Slightly Negative · Neutral · Slightly Positive · Positive

Global Equities

- U.S. Large Cap Growth
- U.S. Large Cap Value
- U.S. Small Cap Growth
- U.S. Small Cap Value
- International Developed
- Emerging Markets

Global Fixed Income

- U.S. Governments
- U.S. Mortgages
- U.S. Corporates
- High Yield
- U.S. IG Tax Exempt
- U.S. HY Tax Exempt
- International Fixed Income

Alternative Investments*

- Hedge Funds
- Private Equity
- Real Assets
- Cash

ALTERNATIVE INVESTMENTS NOTE: Given the differences in liquidity characteristics between AI and traditional investments, the AI portfolio positioning and CIO asset class views have been neutral rated versus our strategic allocations. These types of investments, in our opinion, should not be viewed at the asset class level on a tactical basis, rather the tactical positioning should be expressed at the sub asset level. We will continue to provide strategy level guidance for qualified AI investors and believe allocations to AI can introduce differentiated returns which can complement existing traditional holdings by enhancing returns, reducing risk, and capitalizing on opportunities not available in traditional investments.

CORE PORTFOLIO FUNDAMENTALS

- Generate attractive cash flows across asset classes
- Active rebalancing during periods of outsized weakness and strength
- Focus on risk-adjusted returns and goal alignment

When assessing your portfolio in light of our current guidance, consider the tactical positioning around asset allocation in reference to your own individual risk tolerance, time horizon, objectives and liquidity needs. Certain investments may not be appropriate, given your specific circumstances and investment plan. Certain security types, like hedged strategies and private equity investments, are subject to eligibility and suitability criteria. Your financial advisor can help you customize your portfolio in light of your specific circumstances. ***Many products that pursue Alternative Investment strategies, specifically Private Equity and Hedge Funds, are available to pre-qualified clients**. Source: Global Wealth & Investment Management Investment Strategy Committee (ISC) as of September 2018.

Bank of America Merrill Lynch

OVERVIEW

Economic Outlook

Macro economic outlook from the Chief Investment Office

UNITED STATES

- U.S. growth picked up to about 3.2 percent in the first half of this year. For Q3, real gross domestic product (GDP) growth continues to track well over 3%.
- U.S. consumers have tailwinds from decent wage growth, rising home prices, still-low interest rates and very positive labor market dynamics.
- We expect housing and business investment spending to be cyclical tailwinds for the overall economy, extending the cycle.
- Pro-business policies are helping: Tax cuts, tax reform, repatriation and regulatory relief are boosting confidence and nominal growth.

EMPLOYMENT, INFLATION & INTEREST RATES

- Job growth remains steady and the current trend is sufficient to keep the unemployment rate declining for the next year.
- Wage growth is moderate and suggests inflation is well anchored or picking up.
- We expect the Fed to continue to gradually remove monetary accommodation through rate hikes and balance sheet tapering.

WATCH LIST

- ✓ U.S. Inflation
- ✓ U.S. Fiscal Policy
- ✓ Earnings
- ✓ China and Trade Policies
- ✓ Central Bank Meetings
- ✓ Brexit Negotiations
- ✓ U.S. Trade Policy
- ✓ Midterm Elections

DOLLAR & COMMODITIES

- Rising U.S. rates, concerns over slower growth, and a potential delay to the end of quantitative easing in Europe should continue to support the dollar in the near term. On balance, we expect a steady dollar over the coming year.
- We expect WTI oil prices to remain strong in the $60 to $80 range.

GLOBAL

- The synchronized global growth upturn that began in 2016 is transitioning with the U.S. still accelerating and the rest of the world slowing.
- Purchasing Managers' Indexes show the global expansion remains solid. Capital spending plans also remain solid.
- Corporate profits are rising around the world.
- We expect real global GDP growth to remain solid in 2019.

PROFITS

- We expect corporate profits to rise by double-digit percentages throughout the year, driven by revenue increases from healthy consumer and business spending.

Source: GWIM Investment Strategy Committee (ISC) as of September 2018.
Please refer to appendix for asset class proxies and index definitions.

Economic and Market Forecasts

	Q1 2018A	Q2 2018A	Q3 2018E	2016A	2017A	2018E	2019E
Real global GDP (% y/y annualized)	-	-	-	3.1	3.8	3.8	3.7
Real U.S. GDP (% q/q annualized)	2.2	4.2	3.4	1.6	2.2	2.9	2.7
CPI inflation (% y/y)*	2.3	2.6	2.6	1.3	2.1	2.5	2.3
Core CPI inflation (% y/y)*	1.9	2.2	2.3	2.2	1.8	2.2	2.4
Unemployment rate (%)	4.1	3.9	3.8	4.9	4.4	3.9	3.4
Fed funds rate, end period (%)	1.63	1.88	2.13	0.63	1.38	2.38	3.13
10-year Treasury, end period (%)	2.7	2.9	3.2	2.4	2.4	3.3	3.35**
S&P 500, end period	2641	2718	-	2239	2674	3000	-
S&P earnings ($/share)	37	40*	40	118	132	162	172
U.S. dollar/euro, end period	1.23	1.17	1.12	1.05	1.20	1.14	1.20
Japanese yen/U.S. dollar, end period	106	111	114	117	113	112	105
Oil ($/barrel), end period	65	74	70	54	60	70	71[1]

Figures represent economic and market data and forecasts provided by BofA Merrill Lynch Global Research.
Past performance is no guarantee of future results. There can be no assurance that the forecasts will be achieved.
A = Actual. E = Estimate
*Estimate for Q2 2018. **Estimate for Q2 2019.
[1] Forecast represents a period average.
Sources: BofA Merrill Lynch Global Research; Global Wealth & Investment Management Investment Strategy Committee. As of October 2018.

Glossary

3 Month London Interbank Offered Rate (LIBOR) : A 3-month average of the LIBOR, which is a variable rate based on the interest rates that the leading banks charge each other for short-term loans.

3 Month Treasury Bill (T-Bill): Treasury Bond maturing within 90 days.

Alpha: A measure of risk-adjusted performance relative to a comparative benchmark, aka residual return.

After Tax Yield Ratio: Compares the after-tax corporate bond yield to the after-tax yield from municipal bonds.

Beta: A measure of the sensitivity of the returns of the Asset to the comparative benchmark.

Consumer Price Index (CPI) Level: Base Year 1982-84: 100. The CPI represents changes in prices of all good and services purchased for consumption by urban households. User fees and sales and excise taxes paid by the consumer are also included. Income taxes and investment items are not included.

CPI Core Index Level: Base year 1982-84; it excludes food and energy items from the Consumer Price Index Level.

Current Account Deficit: Occurs when a country's total import of goods, services and transfers is greater than the total export; this situation makes a country a net debtor to the rest of the world.

Developed Market: A country that is most developed in terms of its economy and capital markets. The country must be high-income, but this also includes openness to foreign ownership, ease of capital movement, and efficiency of market institutions.

Emerging Market: A country that is progressing toward becoming advanced, as shown by some liquidity in local debt and equity markets and the existence of some form of market exchange and regulatory body.

GDP - Nominal: Gross Domestic Product (GDP) equals the total income of everyone in the economy or the total expenditure on the economy's good and services. GDP includes only the value of final goods and services. Nominal GDP measures the value of goods and services at current dollar prices.

GDP - Real: The chain-weighted GDP measure of goods and services at constant dollar prices. The base year changes continuously over time (e.g., 1995, process measures real growth from 1995 to 1996). The figures are then linked to a chain that can compare goods and services in any two years. Chain-weighted figures never let prices get too far out of date.

High Yield OAS: Option-adjusted spread (OAS) is the yield spread which has to be added to a benchmark yield curve to discount a security's payments to match its market price, using a dynamic pricing model that accounts for embedded options

HY Leverage Ratio*:* Net Debt divided by last 12 months earnings before interest taxes and amortization (EBITDA)

Investment Grade OAS: Option-adjusted spread (OAS) is the yield spread which has to be added to a benchmark yield curve to discount a security's payments to match its market price, using a dynamic pricing model that accounts for embedded options

Jobless Claims: Average weekly initial claims for unemployment insurance: measures the average number of new claims for unemployment compensation per week.

Standard Deviation: Annualized Standard Deviation is a statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution.

Spread: The difference between the bid and ask price or between the high and low price. For securities, it refers to the difference in yield on different securities.

U.S. Employees Non-Farm Private Payrolls: A statistic that represents the total number of paid U.S. workers except for farm workers, general government employees, employees of nonprofit organizations that provide assistance to individuals and private household employees. The Non-Farm Private Payroll represents about 80% of the workers who produce the U.S. Gross Domestic Product.

Asset Class Proxies

Asset Class	Index	Description
Inflation	IA SBBI US Inflation	The Consumer Price Index for All Urban Consumers, or CPI-U, is used by IA SBBI to measure inflation, which is the rate of change of consumer goods prices. All inflation measures are constructed by the U.S. Department of Labor, Bureau of Labor Statistics, Washington.
Cash	IA SBBI US 30 Day TBill TR USD & BAML U.S. Treasury Bills 3 months	For the IA SBBI U.S. Treasury Bill Index, the CRSP U.S. Government Bond File is the source from 1926 to 1976. Each month a one-bill portfolio containing the shortest-term bill having not less than one month to maturity is constructed. (The bill's original term to maturity is not relevant). The ICE BofAML US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date.
US Large Cap Growth	Russell 1000 Growth Total Return	Russell 1000 Growth Total Return measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.
US Large Cap Value	Russell 1000 Value Total Return	Russell 1000 Value Total Return measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.
US Small Cap Growth	Russell 2000 Growth Total Return	Russell 2000 Growth Total Return measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.
US Small Cap Value	Russell 2000 Value Total Return	Russell 2000 Value Total Return measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower expected growth values.
International Equity	MSCI Daily TR Net World Ex USA USD	The MSCI World ex USA Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries – excluding the United States. The index covers approximately 85% of the free float-adjusted market capitalization in each country.
Emerging Markets	MSCI Daily TR Net EM USD	The MSCI Emerging Markets (EM) Index captures large and mid cap representation across 23 Emerging Markets countries and targets coverage of approximately 85% of the free float adjusted market capitalization in each country.
North America	MSCI Daily TR Net North America	The MSCI North America Index is designed to measure the performance of the large and mid cap segments of the US and Canada markets. The index covers approximately 85% of the free float-adjusted market capitalization in the US and Canada.
Developed Europe ex-UK	MSCI Daily TR Net Europe Ex U.K. USD	The MSCI Europe ex UK Index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe. The index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.
UK	MSCI Daily TR Net UK USD	The MSCI United Kingdom Index is designed to measure the performance of the large and mid cap segments of the UK market. The index covers approximately 85% of the free float-adjusted market capitalization in the UK.
Japan	MSCI Daily TR Net Japan USD	The MSCI Japan Index is designed to measure the performance of the large and mid cap segments of the Japanese market. The index covers approximately 85% of the free float-adjusted market capitalization in Japan.

Asset Class Proxies (continued)

Developed Asia Pacific ex-Japan	MSCI Daily TR Net Pacific Ex Japan USD	The MSCI AC Asia ex Japan Index captures large and mid cap representation across 2 Developed Markets countries (Hong Kong and Singapore) and 8 Emerging Markets countries (China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand) in Asia. The index covers approximately 85% of the free float-adjusted market capitalization in each country.
U.S. Government & Quasi Government	ICE BofAML AAA U.S. Treasury/Agency Master	The ICE BofAML US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and non-subordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of $1 billion for sovereigns and $250 million for agencies.
U.S. Mortgage Backed	ICE BofAML Mortgage Master	The ICE BofAML US Mortgage Backed Securities Index tracks the performance of US dollar denominated fixed rate and hybrid residential mortgage pass-through securities publicly issued by US agencies in the US domestic market. 30-year, 20-year, 15-year and interest-only fixed rate mortgage pools are included in the Index provided they have at least one year remaining term to final maturity and a minimum amount outstanding of at least $5 billion per generic coupon and $250 million per production year within each generic coupon.
U.S. Corp Master	ICE BofAML U.S. Corp Master	The ICE BofAML US Corporate Index tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million.
USD High Yield	ICE BofAML High Yield Cash Pay	The ICE BofAML US Cash Pay High Yield Index tracks the performance of US dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the US domestic market.
International Fixed Income	ICE BofAML Global Broad Market TR ex USD (Hedged)	The ICE BofAML Global Broad Market Excluding US Dollar Index tracks the performance of investment grade debt publicly issued in the major domestic and eurobond markets, including sovereign, quasi-government, corporate, securitized and collateralized securities, excluding all securities denominated in US dollars.
Global Governments	ICE BofAML Global Govt Bond Index + ICE BofAML Global Large Cap Quasi-Govt Index (Hedged)	(i) The ICE BofAML Global Government Index tracks the performance of publicly issued investment grade sovereign debt denominated in the issuer's own domestic currency. (ii) The ICE BofAML Global Large Cap Quasi-Government Index tracks the performance of large capitalization investment grade quasi-government debt publicly issued in the major domestic and euro-bond markets, including agency, foreign government, local government, supranational and government guaranteed securities. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch).

Asset Class Proxies (continued)

Global Corporates	ICE BofAML Global Broad Market Corp (Hedged)	The ICE BofAML Global Corporate Index tracks the performance of investment grade corporate debt publicly issued in the major domestic and euro-bond markets. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date and a fixed coupon schedule.
Global Mortgages	ICE BofAML Global Broad Market Collateralized (Hedged)	The ICE BofAML Global Collateralized Index tracks the performance of investment grade securitized and collateralized debt, including mortgage backed, asset backed, commercial mortgage backed, covered bond, and US mortgage pass-through securities publicly issued in the major domestic and euro-bond markets. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch).
Global HY / EM	ICE BofAML Global HY Country External Corp & Govt + ICE BofAML Global High Yield (Unhedged)	(i) The ICE BofAML Global High Yield Country External Corporate & Government Index tracks the performance of USD and EUR denominated emerging market debt, including sovereign, quasi-government and corporate securities. (ii) The ICE BofAML Global High Yield Index tracks the performance of USD, CAD, GBP and EUR denominated below investment grade corporate debt publicly issued in the major domestic or euro-bond markets.
ML Moderate Allocation	US SAA	The hypothetical historical returns are based on the US-biased Tier 0 Strategic Asset Allocation and proxy indices as of March 2018. The calculations are performed in Morningstar using daily returns and monthly rebalancing. Results shown are based on indexes and are illustrative; they assume reinvestment of income and no transaction costs or taxes. Indexes are unmanaged. Direct investment cannot be made in an index. It is composed as follows: **From 12/19/2017 through current quarter end:** 12% Russell 1000 Growth | 19% Russell 1000 Value | 2% Russell 2000 Growth | 2% Russell 2000 Value | 14% MSCI World ex USA NR | 5% MSCI EM NR | 11% BofAML US MBS | 13% BofAML US Corporate | 14% BofAML US Trsy&Agcy | 2% BofAML Gbl Brd Mkt xUS HUSD | 4% BofAML US Cash Pay HY | 2% BofAML US 3M Trsy Bill. **From 01/10/2017 through 12/18/2017:** 12% Russell 1000 Growth | 19% Russell 1000 Value | 2% Russell 2000 Growth | 2% Russell 2000 Value | 13% MSCI World ex USA NR | 5% MSCI EM NR | 11% BofAML US MBS | 14% BofAML US Corporate | 14% BofAML US Trsy&Agcy | 2% BofAML Gbl Brd Mkt xUS HUSD | 4% BofAML US Cash Pay HY | 2% BofAML US 3M Trsy Bill. **From 04/14/2009 through 01/09/2017**: 23% Russell 1000 Growth | 23% Russell 1000 Value | 2% Russell 2000 Growth | 2% Russell 2000 Value | 8% MSCI EAFE NR | 2% MSCI EM NR | 9% BofAML US MBS | 13% BBgBarc US Govt | 9% BBgBarc US Credit | 2% BofAML Gbl Brd Mkt xUS Loc | 2% BofAML US Cash Pay HY | 5% IA SBBI US 30 Day Tbill. **From 04/04/2007 through 04/13/2009:** 23% Russell 1000 Growth | 23% Russell 1000 Value | 2% Russell 2000 Growth | 2% Russell 2000 Value | 10% MSCI EAFE NR | 9% BofAML US MBS | 13% BBgBarc US Govt | 9% BBgBarc US Credit | 2% BofAML Gbl Brd Mkt xUS Loc | 2% BofAML US Cash Pay HY | 5% IA SBBI US 30 Day Tbill.

Asset Class Proxies (continued)

ML Moderate Allocation	Global SAA	The hypothetical historical returns are based on the Globally-biased Tier 0 Strategic Asset Allocation and proxy indices as of March 2018. The calculations are performed in Morningstar using daily returns and monthly rebalancing. Results shown are based on indexes and are illustrative; they assume reinvestment of income and no transaction costs or taxes. Indexes are unmanaged. Direct investment cannot be made in an index. It is composed as follows: **From 12/19/2017 through current quarter end:** 29% MSCI North America | 8% MSCI Europe Ex UK | 5% MSCI United Kingdom | 2% MSCI Japan | 3% MSCI Pacific Ex Japan | 5% MSCI EM NR | 23% BofAML Gbl Govt TR HUSD + BofAML Gbl LC Qsi-Govt TR | 9% BofAML Global Corporate TR HUSD | 10% BofAML Gbl Coll TR HUSD | 4% BofAML Gbl HY Conty ExCp&Gv TR + BofAML Gbl HY TR | 2% BofAML US 3M Trsy Bill. **From 01/10/2017 through 12/18/2017:** 30% MSCI North America | 7% MSCI Europe Ex UK | 5% MSCI United Kingdom | 2% MSCI Japan | 3% MSCI Pacific Ex Japan | 5% MSCI EM NR | 23% BofAML Gbl Govt TR HUSD + BofAML Gbl LC Qsi-Govt TR | 9% BofAML Global Corporate TR HUSD | 10% BofAML Gbl Coll TR HUSD | 4% BofAML Gbl HY Conty ExCp&Gv TR + BofAML Gbl HY TR | 2% BofAML US 3M Trsy Bill. **From 07/13/2010 through 01/09/2017:** 28% MSCI North America | 11% MSCI Europe Ex UK | 5% MSCI United Kingdom | 5% MSCI Japan | 3% MSCI Pacific Ex Japan | 8% MSCI EM NR | 24% BofAML Gbl Govt TR HUSD + BofAML Gbl LC Qsi-Govt TR | 7% BofAML Global LC Corporate TR USD | 6% BofAML Gbl LC Coll TR USD | 1% BofAML Gbl HY Conty ExCp&Gv TR + BofAML Gbl HY TR | 2% BofAML US 3M Trsy Bill.

Disclosures

Reference to indices, or other measures of relative market performance over a specified period of time (each, an "index") are provided for illustrative purposes only, do not represent a benchmark or proxy for the return or volatility of any particular product, portfolio, security holding, or AI. Indices are unmanaged. The figures for the index reflect the reinvestment of dividends but do not reflect the deduction of any fees or expenses which would reduce returns. We strongly recommend that these factors be taken into consideration before an investment decision is made. Neither Merrill Lynch nor the index sponsor can verify the validity or accuracy of the self reported returns of the managers used to calculate the index returns. Merrill Lynch does not guarantee the accuracy of the index returns and does not recommend any investment or other decision based on the results presented. The indices referred in the presentation do not reflect the performance of any account or fund managed by Merrill Lynch or its affiliates, or of any other specific fund or account, and do not reflect the deduction of any management or performance fees or expenses. The hedge fund universe from which the components of the indices are selected is based on funds which have continued to report results for a minimum period of time. This prerequisite for fund selection interjects a significant element of "survivor bias" into the reported levels of the indices, as generally only successful funds will continue to report for the required period, so that the funds from which the statistical analysis or the performance of the indices to date is derived necessarily tend to have been successful. There can, however, be no assurance that such funds will continue to be successful in the future. Indices are unmanaged and results shown are not reduced by taxes or transaction costs such as fees. It is not possible to invest directly in an Index.

Alternative Investments are speculative and subject to a high degree of risk. Although risk management policies and procedures can be effective in reducing or mitigating the effects of certain risks, no risk management policy can completely eliminate the possibility of sudden and severe losses, illiquidity and the occurrence of other material adverse effects. Some or all alternative investment programs may not be suitable for certain investors. Many alternative investment products, specifically private equity and most hedge funds, require purchasers to be "qualified purchasers" within the meaning of the federal securities laws (generally, individuals who own at least $5 million in "investments" and institutional investors who own at least $25 million in "investments," as such term is defined in the federal securities laws). No assurance can be given that any alternative investment's investment objectives will be achieved. In addition to certain general risks, each product will be subject to its own specific risks, including strategy and market risk.

Alternative Investments such as derivatives, hedge funds, private equity funds, and funds of funds can result in higher return potential but also higher loss potential. Changes in economic conditions or other circumstances may adversely affect your investments. Before you invest in alternative investments, you should consider your overall financial situation, how much money you have to invest, your need for liquidity, and your tolerance for risk.

Investors should bear in mind that the global financial markets are subject to periods of extraordinary disruption and distress. During the financial crisis of 2008-2009, many private investment funds incurred significant or even total losses, suspended redemptions or otherwise severely restricted investor liquidity, including increasing the notice period required for redemptions, instituting gates on the percentage of fund interests that could be redeemed in any given period and creating side-pockets and special purpose vehicles to hold illiquid securities as they are liquidated. Other funds may take similar steps in the future to prevent forced liquidation of their portfolios into a distressed market. In addition, investment funds implementing alternative investment strategies are subject to the risk of ruin and may become illiquid under a variety of circumstances, irrespective of general market conditions.

There may be conflicts of interest relating to the alternative investment and its service providers, including Bank of America Corporation, and its affiliates, who are engaged in businesses and have clear interests other than that of managing, distributing and otherwise providing services to the alternative investment. These activities and interests include potential multiple advisory, transactional and financial and other interests in securities and instruments that may purchase or sell such securities and instruments. These are considerations of which investors in the alternative investments should be aware. Additional information relating to these conflicts is set forth in the offering materials for the alternative investment.

Disclosures (continued)

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