Market Quarterly

CIO Reports

Q2 2015

Merrill Lynch
Bank of America Corporation

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Executive Summary

QUARTERLY RECAP

Equities rallied to new highs as bond yields began to rise

- The S&P 500 ended Q2 up 0.3%, pulling back from an all-time high to finish at 2,063. Health Care was the best-performing sector in the quarter with a gain of 2.8%, continuing the trend since 2014. Conversely, the Utilities sector was again the worst performer, declining 5.8%.
- Japanese equities led developed markets in Q2, gaining 5.1% in local terms, as Japan's economic growth continued to improve, and the Bank of Japan maintained its aggressive monetary stimulus. European equities reversed some of the previous quarter's gains, falling 3.0% as concerns over a Greek default and exit from the euro area dominated headlines.
- The bond market declined in Q2, with the ML U.S. Broad Market Index down 1.7% as the market braced for the first Fed rate hike. 30-year Treasuries were the worst performers, down 10.4%. Risky assets outperformed, with High-Yield flat and Emerging Market debt down 0.8%.

U.S. growth picked up after disappointing in Q1 again

- The U.S. economy contracted in a surprisingly weak start to the year, with Q1 gross domestic product (GDP) down 0.2% on an annualized basis. However, economic data has picked up in the second quarter, suggesting Q2 GDP will rebound. BofA Merrill Lynch Global Research believes U.S. growth will moderate from 2014, forecasting growth of 2.3% for 2015. However, this remains above expectations for growth in most other developed markets.
- Growth in Europe and Japan is improving with the former forecasted to grow 1.2% in 2015 vs. 0.8% in 2014, and the latter at 1.1% vs. a 0.1% contraction last year. The gap between developed and emerging markets should continue to narrow, to 2.3% from 2.7% in 2014.
- In the U.S., headline inflation fluctuated around zero and core inflation remains at moderate levels. In Europe, inflation moved back into positive territory as growth improved, suggesting the European Central Bank has been successful in thwarting deflationary pressures so far.

The Federal Reserve (Fed) remained on hold, but is likely to raise rates in 2H

- In its June meeting, the Fed updated the language in its official statement, noting the broad-based improvement in the labor and housing markets but stressing that inflation had not yet reached its target.
- Fed officials also lowered their economic forecasts for the year, and signaled they expected interest rates to rise less next year than previously anticipated. September remains the anticipated date of "liftoff".

Commodity prices rose as oil prices rebounded from Q1

- A pullback in the dollar and improving global growth from the rough winter months benefited commodity prices in Q2. The broad index rose 4.7%, and WTI Crude Oil rallied 24.9% despite increasing global production and demand that remains sluggish relative to supply. The U.S. dollar fell 2.9% as expectations for rising policy rates in the U.S. moderated and economic growth improved abroad.

BofAML RESEARCH KEY FORECASTS

Gross Domestic Product (%)	2015 E	2016 E
Global	3.2	3.8
US	2.3	3.0
Euro Area	1.2	1.3
Emerging Markets	4.1	4.8

US Interest Rates (%)	2015 E	2016 E
Fed Funds	0.50-0.75	1.50-1.75
10-Yr T-Note	2.35	2.85

Currencies	2015 E	2016 E
EUR/USD	1.0	1.0
USD/JPY	125	123
USD/CAD	1.27	1.30

E = Estimate

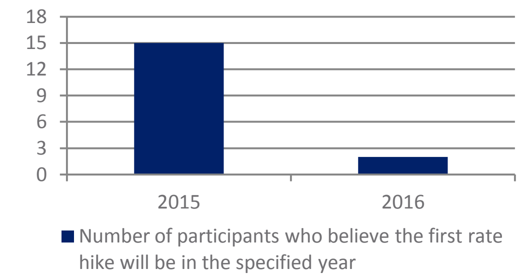
10-Year Treasury yields rally in Q2

Source: Bloomberg, IMG.

S&P 500 reached new highs

Source: Bloomberg, IMG.

Most FOMC members expect the first interest rate hike in 2015



Source: Federal Reserve, IMG. Data as of June 17, 2015.

The economic and market forecasts presented are for informational purposes as of the date of this report. There can be no assurance that the forecasts will be achieved. Broad commodity index as defined by the Bloomberg Commodity Index. FOMC – Federal Open Market Committee. ***Past performance is no guarantee of future results. Indexes are unmanaged. Direct investment cannot be made in an index.***

CIO Market Outlook

Executive Summary

LOOKING AHEAD

- **We expect global economic growth to remain stable, but risks remain:** Following choppy growth last year, we expect the global economy to stabilize in 2015, with growth ticking down to 3.2% from 3.3% in 2014. Developed market growth should increase from 1.6% to 1.9%, offsetting growth in Emerging Markets which is expected to decline from 4.3% to 4.1%. Inflation should stay low, allowing central banks to remain accommodative and therefore keeping interest rates lower for longer. However, geopolitical and policy risks persist.
- **U.S. growth should pick up:** U.S. GDP growth is expected to moderate to 2.3% in 2015 from 2.4% in 2014, but rise to 3.0% in 2016. The benefit to consumers from lower oil prices, continued job growth, and rising asset prices should continue to impact the broader economy.
- **Global monetary policy is diverging:** The Fed is expected to raise rates later in 2015. However, central banks in other key regions, such as Europe, Japan and China, are expanding their accommodative monetary policies. This should continue to pressure global interest rates and support the U.S. dollar as investors seek relative yield.
- **Equities should do better than bonds:** We maintain a positive outlook on equities as an improving economy, moderate inflation and low but slowly rising interest rates should help them continue to outperform bonds. However, return expectations should be lower given valuation expansion in recent years. We remain constructive on the U.S. but favor Japan and Europe (currency-hedged). We stress selectivity and a long-term approach in Emerging Markets.
- **Don't abandon fixed income:** Low inflation and global interest rates should provide support to fixed income. Bonds continue to play an important role in portfolio allocation by helping to provide stability, diversification and income. Municipal bonds look attractive for taxable investors.
- **Volatility should pick up:** After a 250% rise in the S&P 500 from the lows in 2009 and a multi-decade rally for bonds, valuations for both have expanded. We therefore expect lower returns going forward, accompanied by greater volatility as central banks navigate uncertain global growth.
- **Commodity prices face headwinds**: A stronger U.S. dollar, higher interest rates and supply and demand imbalances should continue to pressure commodity prices and keep volatility elevated, particularly for oil prices.

MLWM CIO Office Tactical Positioning Relative To Merrill Lynch Strategic Asset Allocation
(For a global investor with a Moderate risk profile and moderate liquidity needs)

Private Equity[4]: *Overweight*

The combination of an improving economy and banks still reluctant to lend provides attractive opportunities that compensate for reduced liquidity.

International Developed Market Equities: *Overweight*

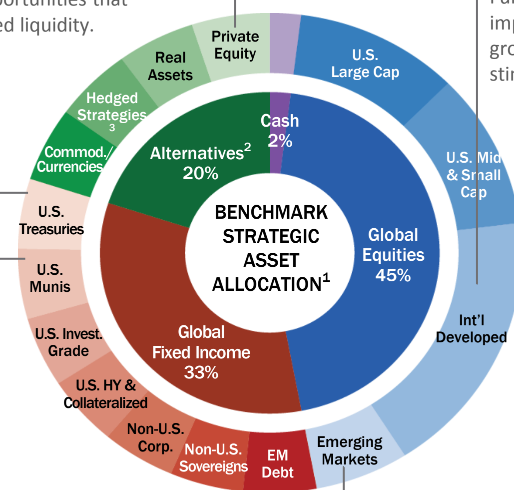
Further upside expected, based on improving economic and earnings growth and continued central bank stimulus.

U.S. Treasuries: *Underweight*

Prefer to ladder maturities to mitigate interest rate risk. Current valuations are stretched, especially on longer maturities.

U.S. Municipals: *Overweight*

Valuations relative to Treasuries remain attractive and tax-exempt status should benefit investors particularly in higher tax brackets.



Emerging Markets: *Neutral*

Growth is expected to be uneven across countries; selectivity remains key as equity markets respond to government policies.

[1]Moderate Global Allocation Tier 2 Liquidity (up to 20% of the portfolio may be unavailable for 3-5 years). For more information on the Merrill Lynch Strategic Asset Allocation (SAA) models for various other risk profiles and liquidity tiers, please see the BofAML RIC Report.

[2]Certain alternative investments are available only to pre-qualified clients.

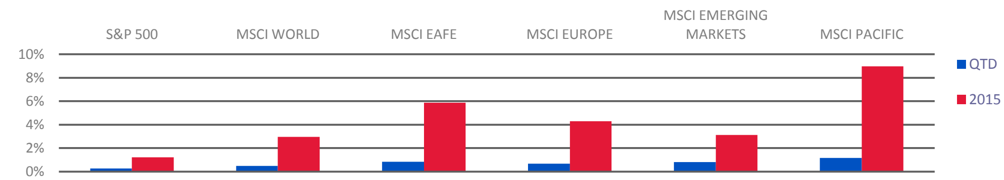
[3]Hedged strategies include non-traditional mutual funds.

[4] Private Equity is available only for High Net Worth Qualified Investors

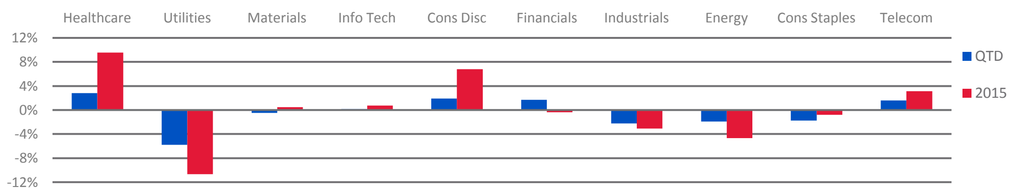
The Strategic Asset Allocation Models with Alternative Assets were developed by Merrill Lynch Global Wealth Management for private clients. The Strategic Allocations are identified by Merrill Lynch Global Wealth Management and are designed to serve as guidelines for a 20-30 year investment horizon. The Merrill Lynch Global Wealth Management models allocate assets among specified asset classes and, within each class, reflect broad investment diversification. The models offer benchmarks for traditional asset class allocation (stocks, bonds and cash), as well as models for allocations among traditional and alternative asset classes reflecting portfolios targeting varying liquidity levels. The models are designed to provide allocation benchmarks based on risk/return profiles. Merrill Lynch Global Wealth Management defines liquidity as the percentage of assets, by invested value, within a portfolio that can be reasonably expected to be liquidated within a given time duration under typical market conditions. Given the less-liquid nature of certain alternative assets, IMG does not include alternative investments in all SAA model portfolios. Clients should consult with their financial advisor about these allocations.

Markets Review as of June 30, 2015

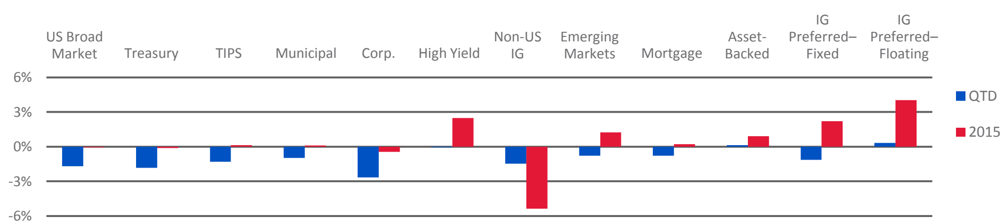
World By Region



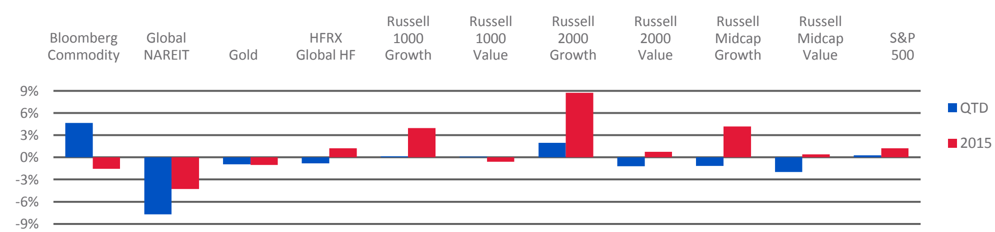
S&P 500 Sector Returns



Bond Market Returns



Cross Asset Returns



Stocks

	As of 06.30.15	Quarterly % Chg	2015 % Chg
DJIA	17,619.5	-0.3%	0.0%
NASDAQ	4,986.9	2.0%	5.9%
S&P 500	2,063.1	0.3%	1.2%
S&P 400 Mid Cap	1,502.2	-1.1%	4.2%
Russell 2000	1,253.9	0.4%	4.8%
MSCI World	1,735.6	0.5%	3.0%
MSCI EAFE	1,842.5	0.8%	5.9%
MSCI Emerging Mkts	972.3	0.8%	3.1%

Bonds

	As of 06.30.15	Quarterly % Chg	2015 % Chg
ML US Broad Market Master	271.9	-1.7%	-0.1%
ML US Treasury Master	1,525.8	-1.8%	-0.1%
ML Agency Master	184.4	-0.7%	0.6%
ML Muni Master	507.0	-1.0%	0.1%
ML US Corp Master	2,583.4	-2.7%	-0.5%
ML High Yield	1,074.3	0.0%	2.5%

Commodities

	As of 06.30.15	Quarterly % Chg	2015 % Chg
Bloomberg Commodity	206.8	4.7%	-1.6%
Gold Spot*	1,172.4	-1.0%	-1.0%
Silver Spot*	15.6	-6.3%	-0.1%
Copper Spot*	262.4	-4.3%	-7.1%
WTI Crude $/Barrel*	59.5	24.9%	11.6%

Currencies*

	As of 06.30.2015	Quarterly % Chg	2015 % Chg
DXY Index	95.5	-2.9%	5.8%
EUR/USD	1.1	3.9%	-7.9%
USD/JPY	122.5	2.0%	2.3%
GBP/USD	1.6	6.0%	0.9%
USD/CHF	0.9	-3.8%	-5.9%

Alternatives

	As of 06.30.2015	Quarterly % Chg	2015 % Chg
Global NAREIT	2,248.0	-7.7%	-4.3%
US NAREIT	2,628.8	-10.3%	-6.1%
Alerian MLP	396.9	-6.1%	-11.0%
HFRX Global Hedge Fund	1,233.9	-0.8%	1.3%

*Returns calculated are gross total returns unless otherwise stated; (*indicates spot returns). All bond indexes represented by BofA Merrill Lynch Global Bond Indexes.* ***Past performance is no guarantee of future results. Indexes are unmanaged. Direct investment cannot be made in an index.***

The Wealth Allocation Framework provides a strategic foundation for pursuing individual goals in a transforming world

The Wealth Allocation Framework

This investor-centered approach organizes an investor's wealth by intended purpose and risk-return characteristics

Potential for significant wealth mobility

To pursue goals that require higher-than-market returns, investors often need to take higher and concentrated risks.

Invest to maintain lifestyle

A well-diversified portfolio provides risk and return in line with efficient market performance —very efficient, but also uncertain.

Protect basic standard of living

To safeguard essential goals, investors can hold lower-risk assets—but they have to accept lower returns in exchange.

Source: MLWM Investment Management & Guidance. ***For Illustrative Purposes Only.***

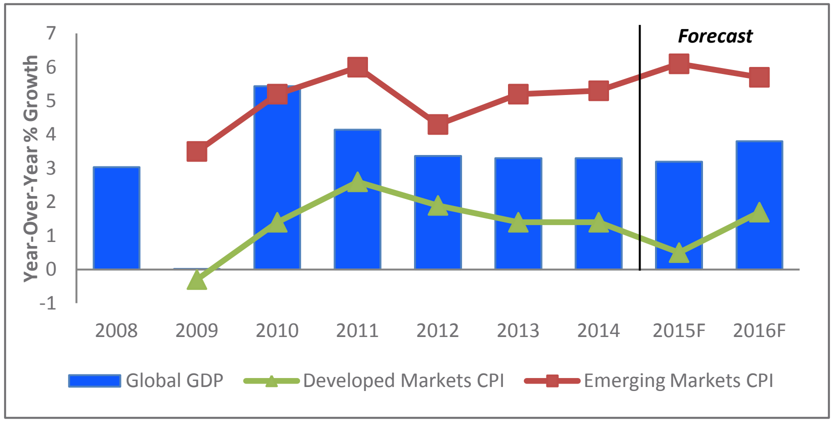
Office of the CIO Outlook

1	**Macroeconomic Outlook**	• Stable global growth, broadening to Europe and Japan • Interest rates should stay lower for longer as inflation remains low • As monetary stimulus shifts from the Fed to the ECB and BoJ, markets adjusting to this transition should result in heightened volatility
2	**Equity Outlook**	• We remain constructive on U.S. equities, but chances for a correction have increased • Japan and Europe (currency hedged) are our favored regions • Technology and Industrials sectors, and high-quality large caps are preferred in the U.S. • We remain selective in Emerging Markets, favoring countries focused on reforms
3	**Fixed Income Outlook**	• Be more targeted in fixed income positioning as lower yields limit opportunities • Core of the portfolio should be Treasuries or high-quality munis for taxable investors • Satellite opportunities in EM debt ($ denominated) • Stay selective within High Yield, we favor higher quality issues and senior loans
	Alternative Investments Outlook	• Commodity prices should stabilize after the recent steep declines, but supply and demand imbalances will likely persist. • Alternatives can help manage portfolios risks and provide diversifying sources of return. • Those overweight equity risk should consider global macro and managed futures. • Patient investors looking to take more equity risk should consider private markets.

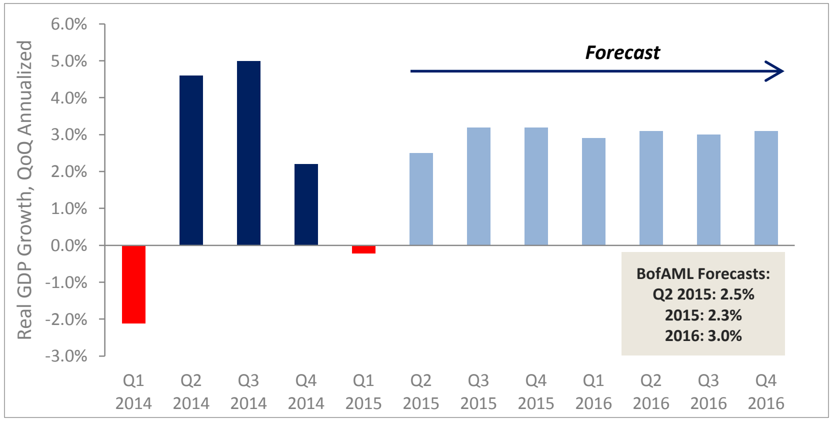
Source: MLWM Investment Management & Guidance.

Global growth should remain stable, as low inflation keeps central banks accommodative

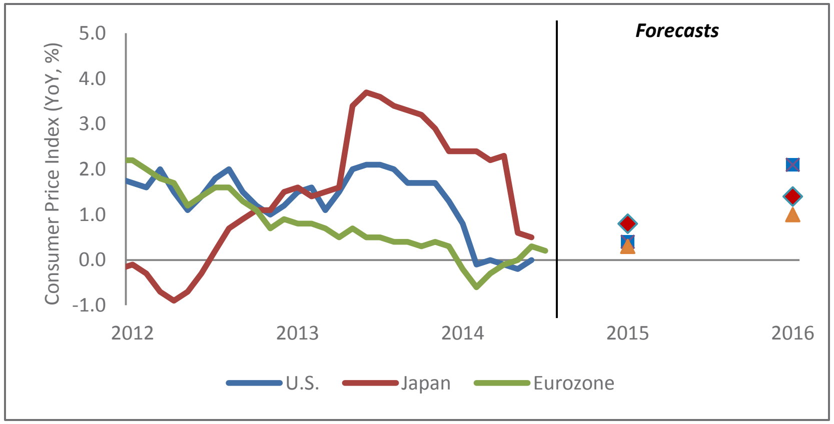
Global growth remains stable, and we expect inflation to stay low



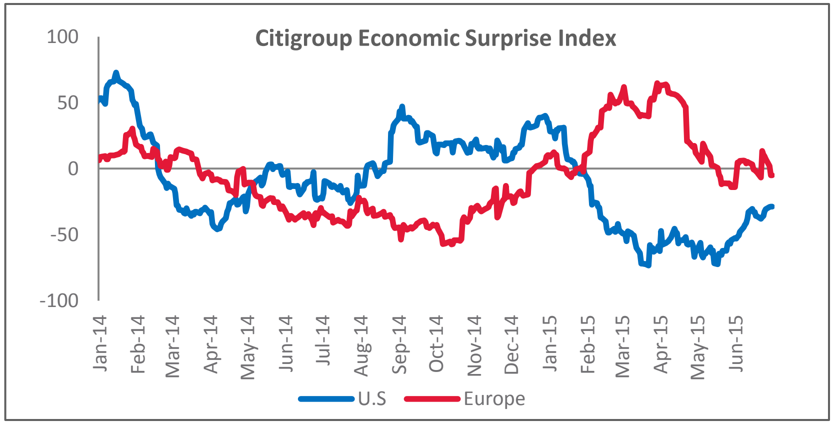
U.S. GDP growth remains uneven but is expected to improve through 2016



We expect inflation in developed countries to remain low for some time



The U.S. economy is improving from the weak Q1, while Europe moderated

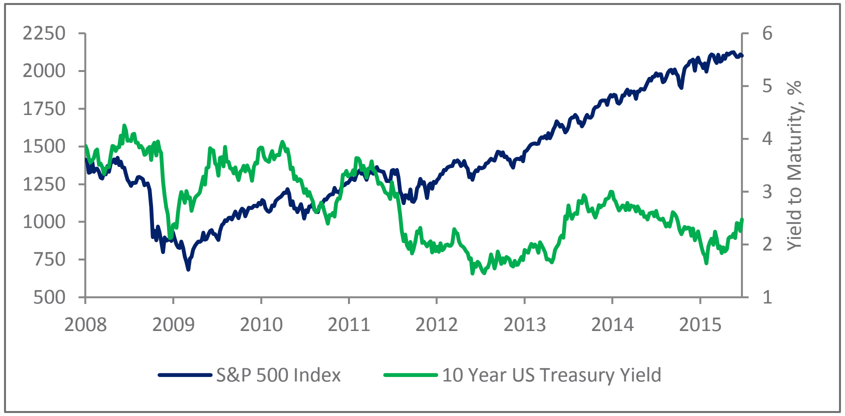


Source: (Top Left) International Monetary Fund (IMF), BofAML Global Research, IMG. CPI – Consumer Price Index. (Top Right) BofAML Global Research, IMG. (Bottom Left) Bloomberg, BofAML Global Research, IMG. (Bottom Right) Bloomberg, IMG. Citi Economic Surprise Index measures data surprises relative to market expectations. A positive reading means the data releases have been stronger than expected and vice versa. All data as of June 30, 2015. The economic and market forecasts presented are for informational purposes as of the date of this report. There can be no assurance that the forecasts will be achieved.

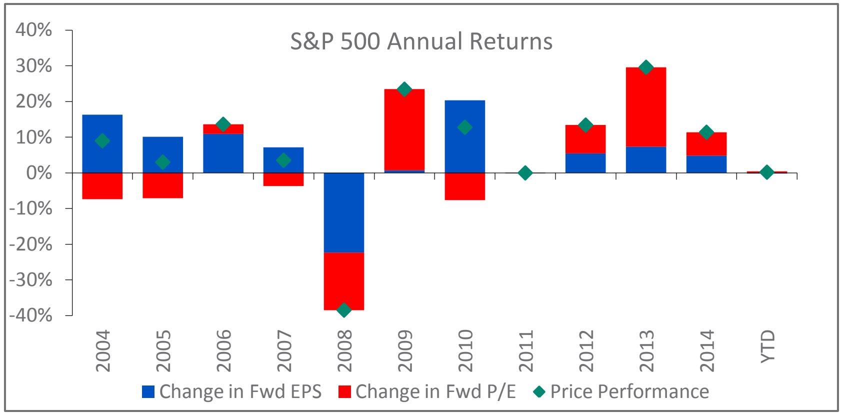
Equities rally and bond yields start to rise as inflation expectations pick up

In Focus

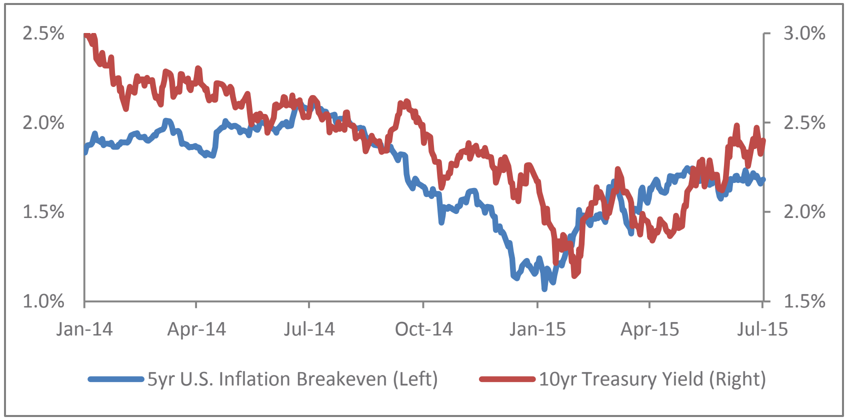
U.S. equities rallied to new highs, while bond yields have started to rise



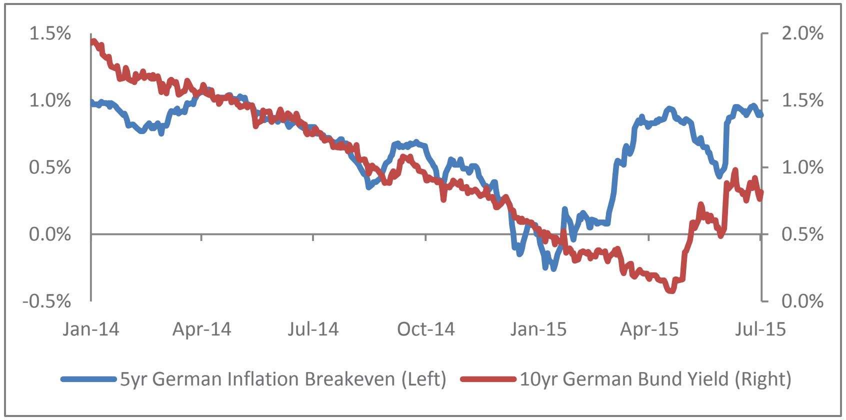
Valuation expansion* was responsible for much of the rally in the prior three years; returns going forward will therefore likely be more limited



Bond yields have followed rising inflation expectations in the U.S.



… As well as in Europe

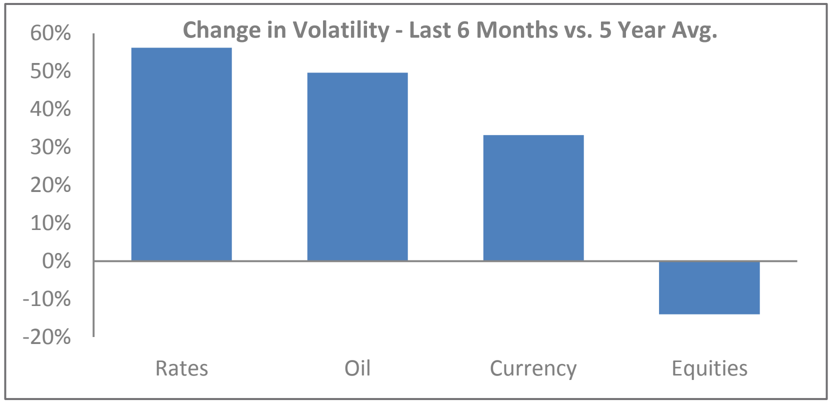


*Source: (Top Left, Bottom Left & Right) Bloomberg, IMG. (Top Right) BofAML Global Research, Bloomberg, IMG. All data as of June 30, 2015. *Valuation expansion – rising prices with no corresponding increase in underlying earnings, resulting in higher price-to-earnings ratios. 5yr Inflation Breakeven is a measure of inflation expectations, and is measured by the difference between the yield of a 5yr government bond and an inflation-protected bond of the same maturity.* ***Past performance is no guarantee of future results.***

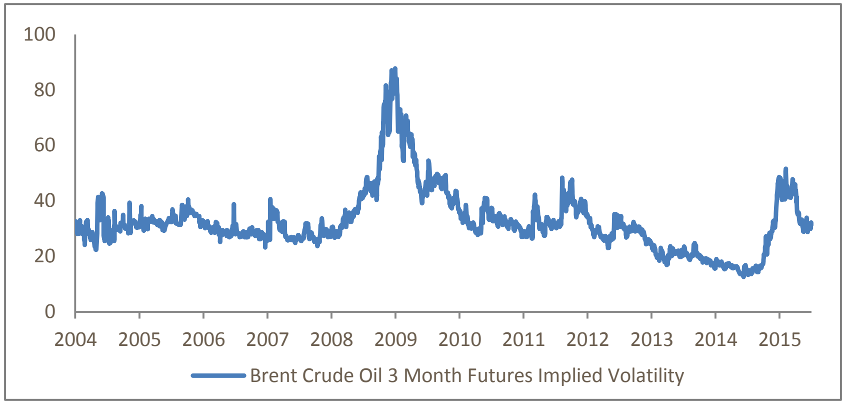
Volatility is picking up as global monetary policies are set to diverge

In Focus

Volatility has risen in the commodity, currency, and rates markets; but not yet in equities

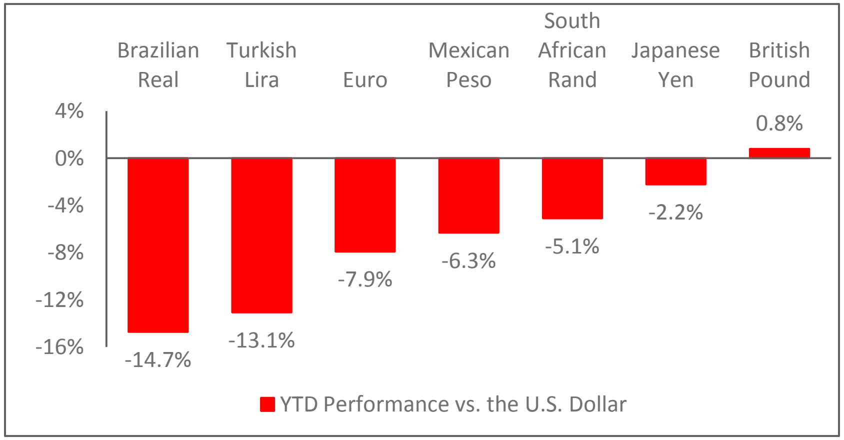


Oil price volatility has pulled back from five-year highs



Bond volatility* is picking up as global monetary policies are set to diverge

Most developed and emerging market currencies have continued to fall against the U.S. dollar this year

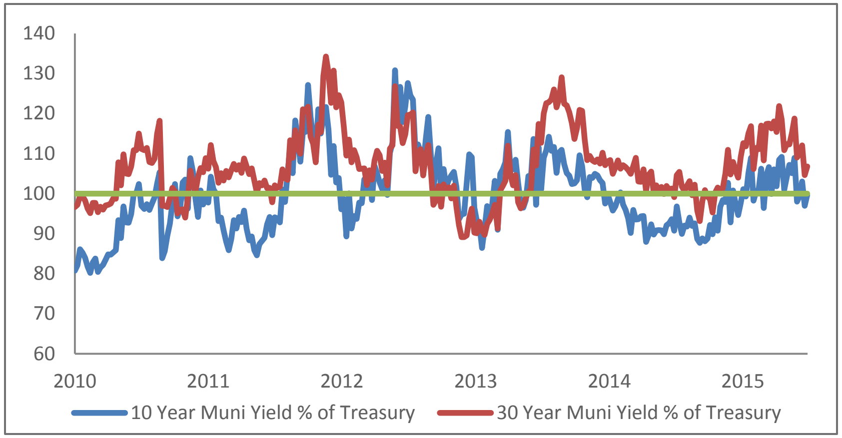


*Source: Bloomberg, IMG. All data as of June 30, 2015. Volatility as measured by the standard deviation of weekly returns for WTI Crude Oil, DXY U.S. Dollar Index, BofAML Treasury Master Index, and S&P 500 Total Return Index, respectfully. *Bond volatility as measured by the Merrill Lynch Option Volatility Estimate (MOVE) Index, a measure of implied volatility on 1-month Treasury options.*

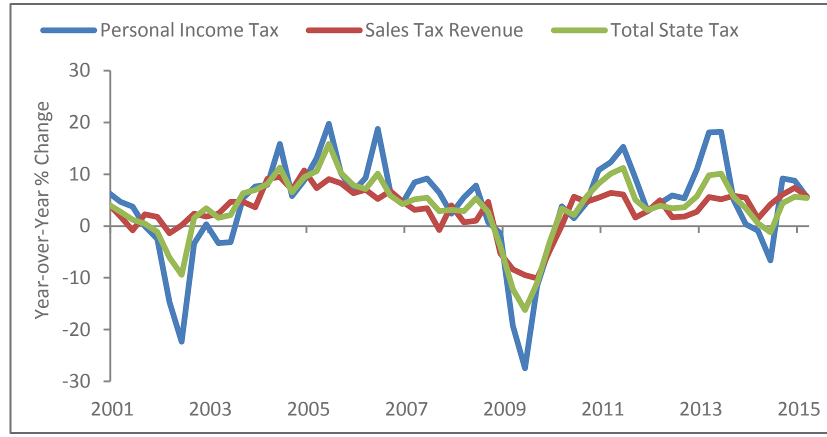
Municipals look attractive for taxable investors, while High Yield valuations look stretched

In Focus

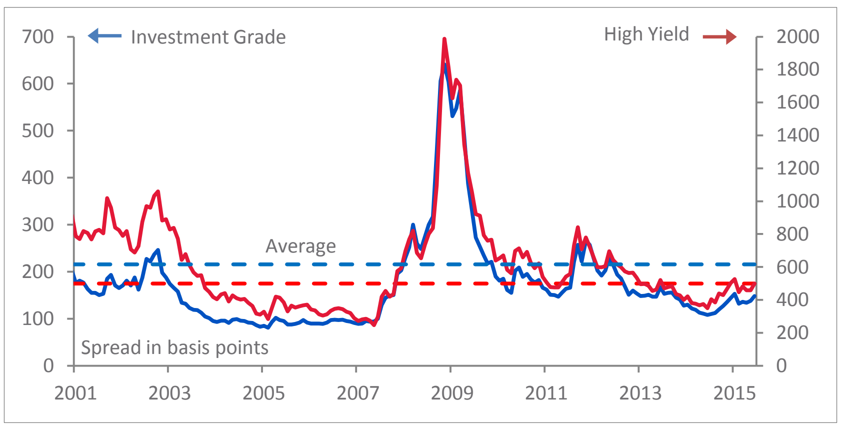
Muni yields are looking more attractive relative to Treasuries…



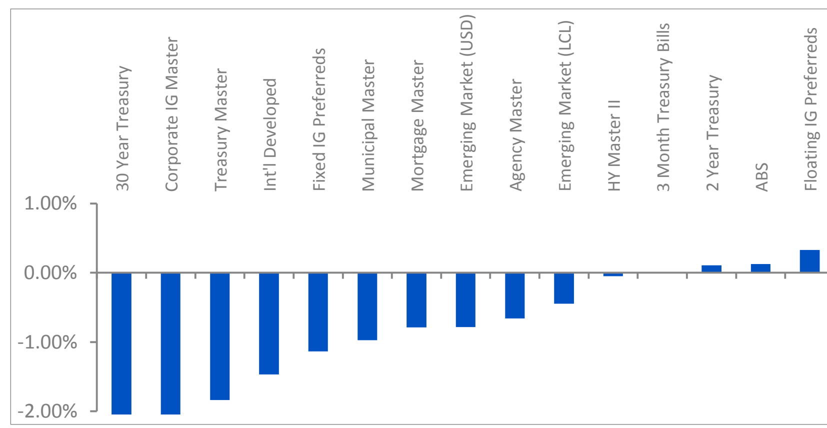
…As fundamentals improve on the back of stronger state finances



Credit spreads are tight, leaving little cushion if rates rise



Longer duration underperformed in Q2



Source: (Top Left, Bottom Left & Right) Bloomberg, IMG. Data as of June 30, 2015. Investment Grade as represented by BofAML U.S. Corporate Bond Index, High Yield as represented by BofAML High Yield Master Index. (Top Right) Nelson A. Rockefeller Institute of Government, IMG. Data as of May 19, 2015. ***Past performance is no guarantee of future results.***

A Transforming World: *Five Macro Themes*

Cyclical and secular trends are transforming our world at a fast and meaningful pace. We've developed a framework to help you understand the new investment landscape through a lens of five investment themes:

People
The size, health, and productivity of the world's human resources

Markets
The allocation of assets, savings and investments, and the distribution of income

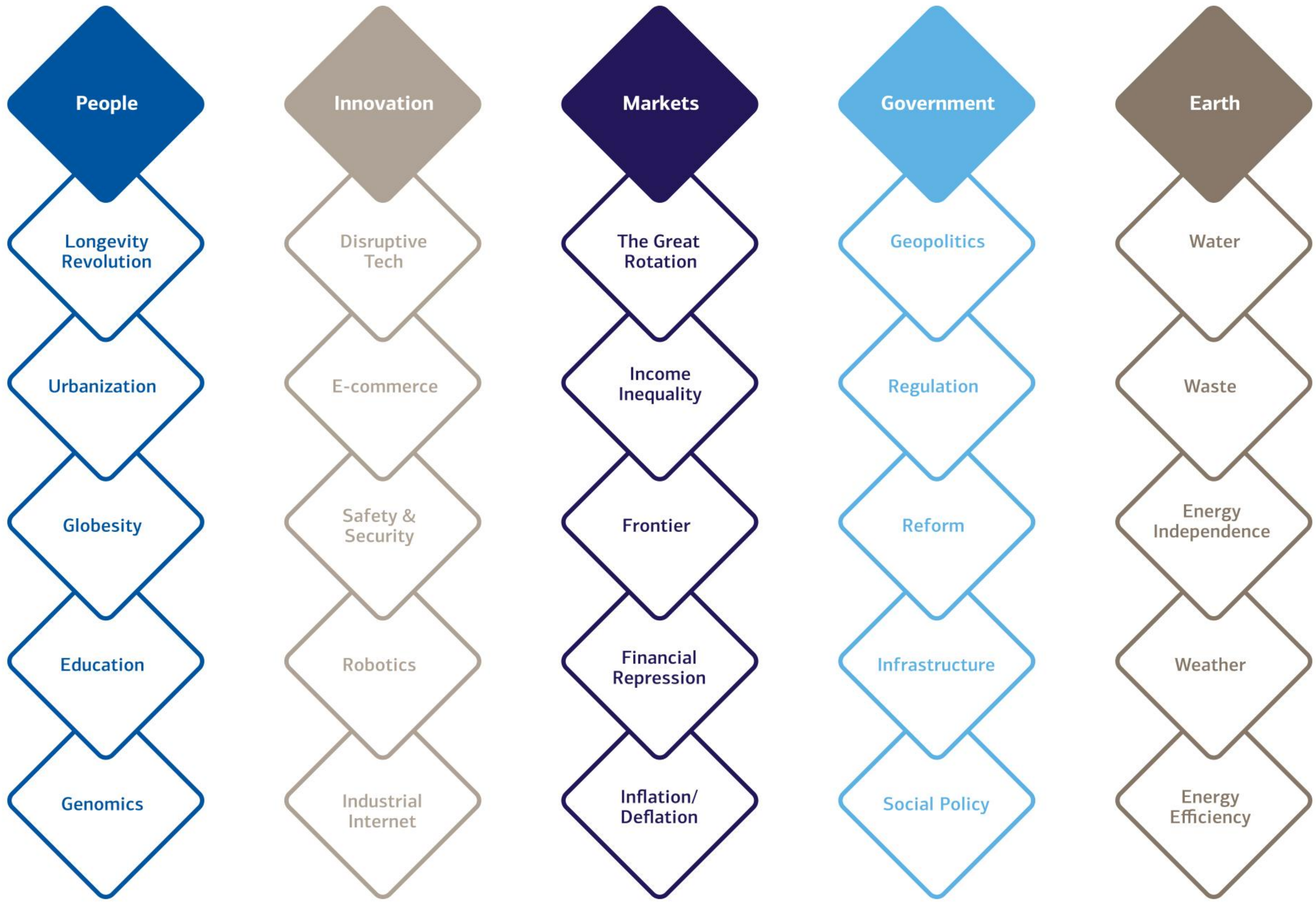
Innovation
The disruptive role of technology

Earth
The allocation of scarce natural resources

Government
The role of public policy and regulation as well as geopolitics

Source: BofA Merrill Lynch Research, IMG

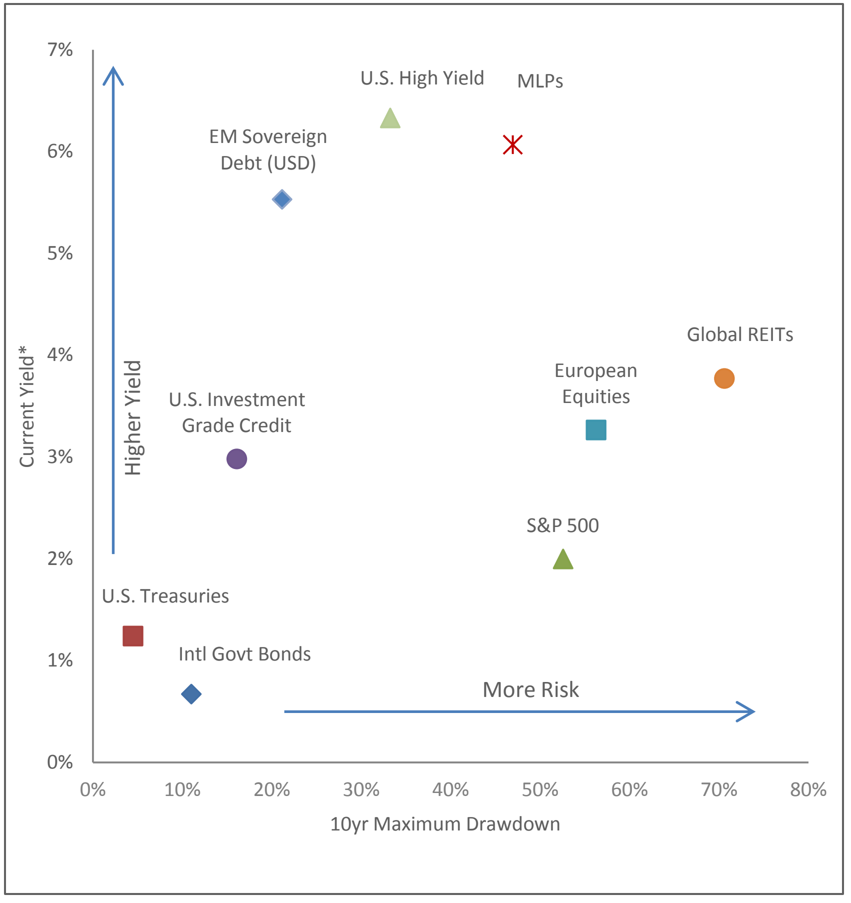
A Transforming World: *Investment Themes*



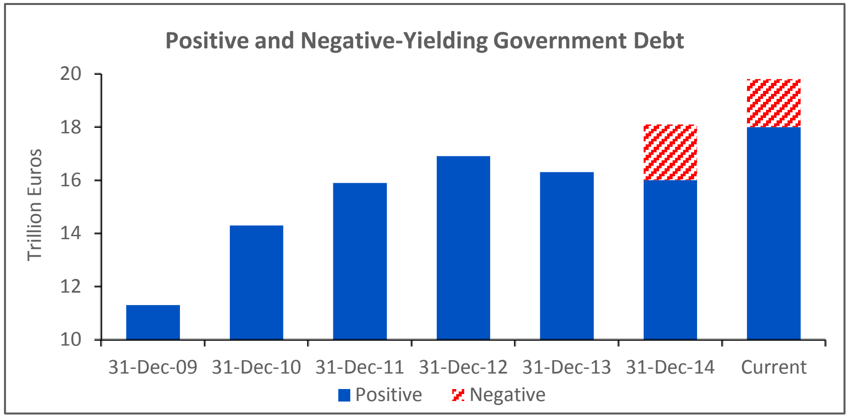
Source: BofA Merrill Lynch Research, IMG

The hunt for yield has pushed investors out on the risk curve

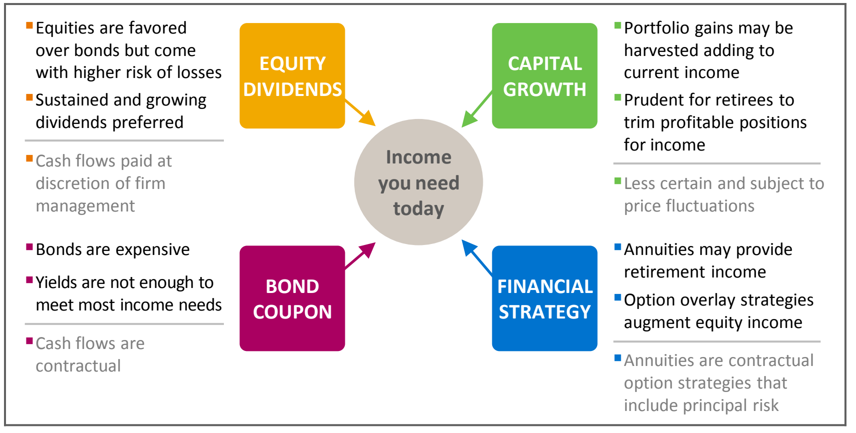
As bond yields have declined, investors looking for higher yield increasingly need to take on more risk



Negative-yielding government debt is becoming its own asset class



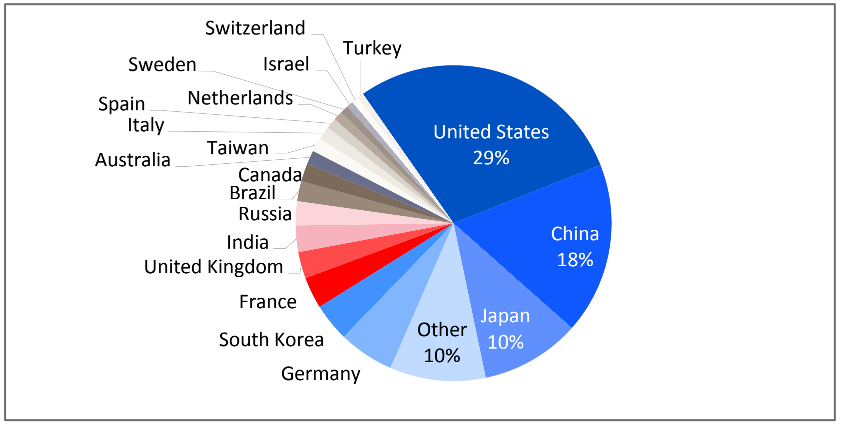
There are many sources of yield to meet an investor's income needs



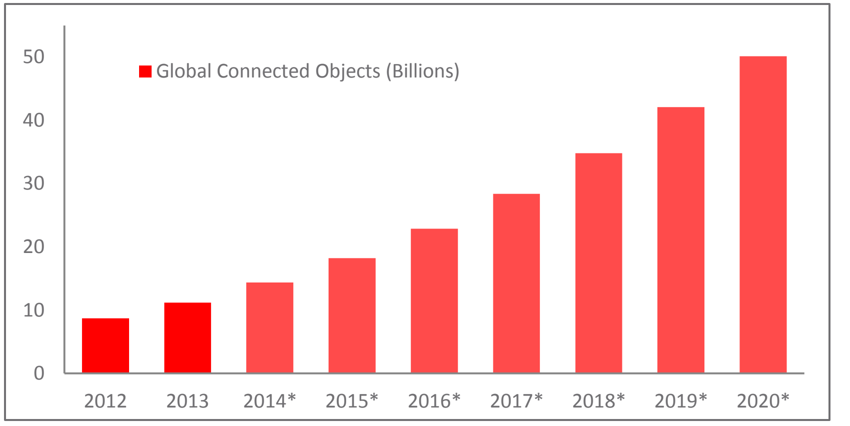
*Source: (Left) Bloomberg, IMG. Data as of June 30, 2015. (Top Right) BofAML Global Research, IMG. Data as of July 3rd, 2015. *Current dividend yield measured from trailing 12 month dividends. (Bottom Right) IMG. Options are complex instruments that are not suitable for every investor, may involve a high degree of risk, and may be appropriate investments only for sophisticated investors who are capable of understanding and assuming the risks involved. Clients must be options-approved.*

U.S. Innovation: A source of competitive advantage

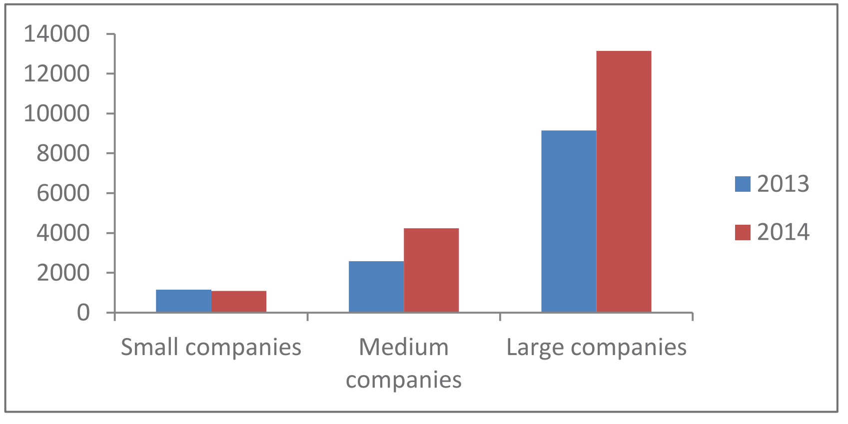
The U.S. was forecast to lead in share of global R&D expenditures in 2014 and we expect to see that continue



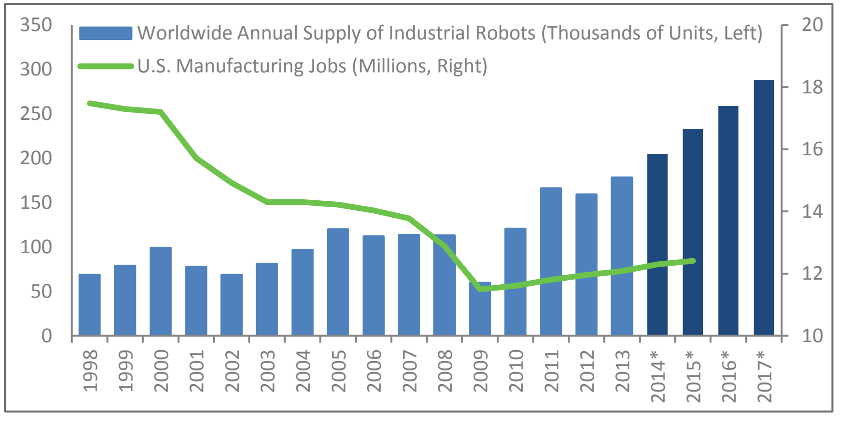
The number of global connected devices is expected to grow over the coming years



The dark side of innovation: cyber crime is on the rise



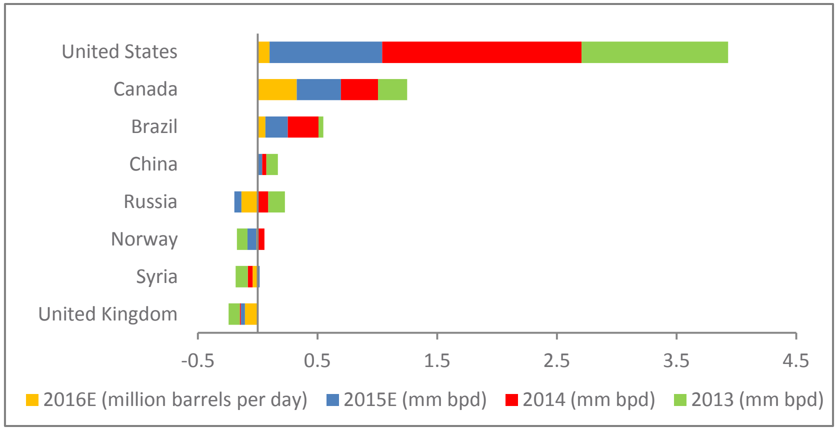
Robots are taking over the manufacturing industry



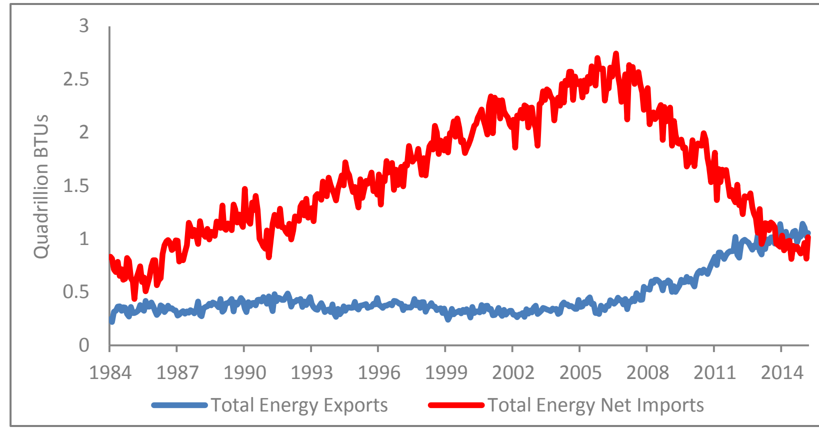
*Source: (Top Left) Battelle, IMG. Data as of December 2013. (Top Right & Bottom Left) BofAML Global Research, IMG. Data as of December 2014. (Bottom Right) International Federation of Robots, BofAML Global Research, Bloomberg, IMG. Data as of June 30, 2015. * Forecasts. The economic and market forecasts presented are for informational purposes as of the date of this report. There can be no assurance that the forecasts will be achieved.*

U.S. energy independence: Energy innovation and sustainability is a long-term theme

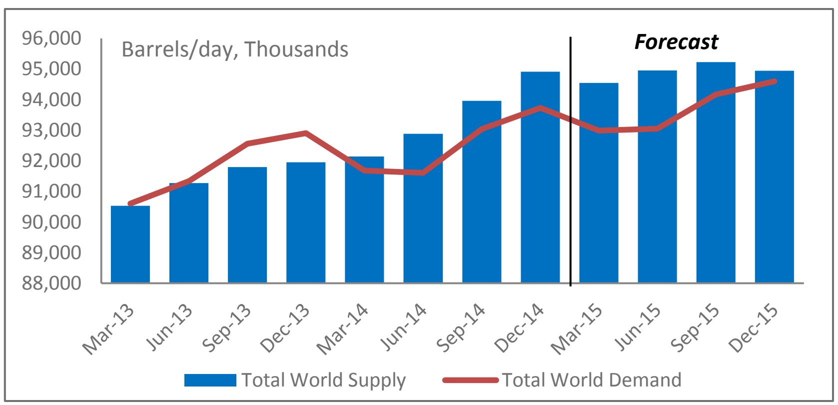
U.S. continues to supply the most non-OPEC oil growth



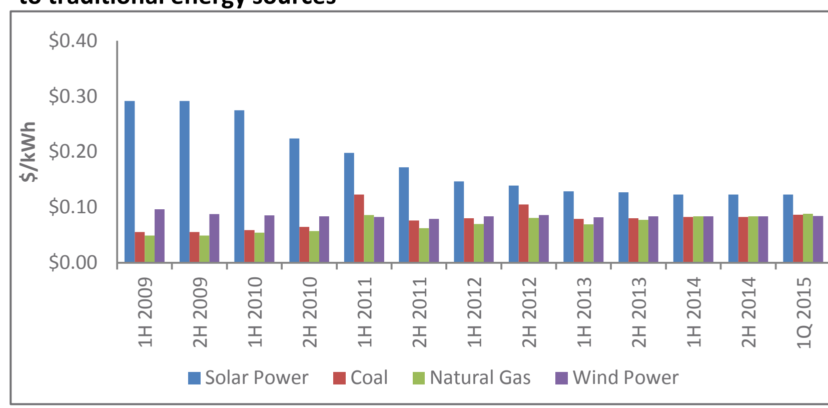
U.S. energy exports have outpaced energy net imports



We believe oil prices will remain pressured as demand is expected to lag supply for some time



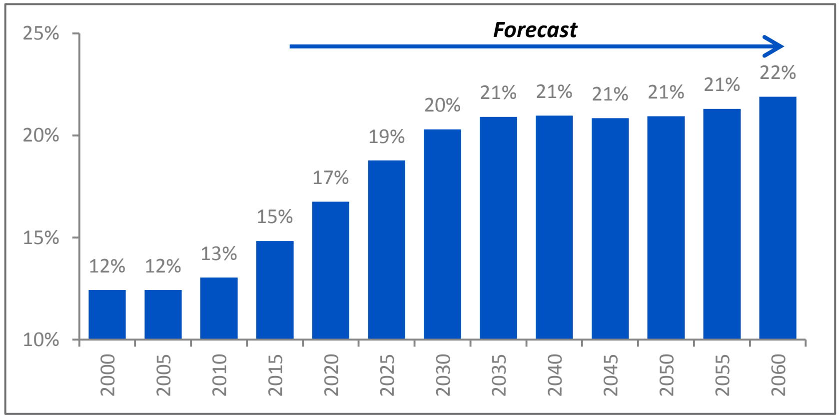
Cost declines for solar power have increased its attractiveness relative to traditional energy sources



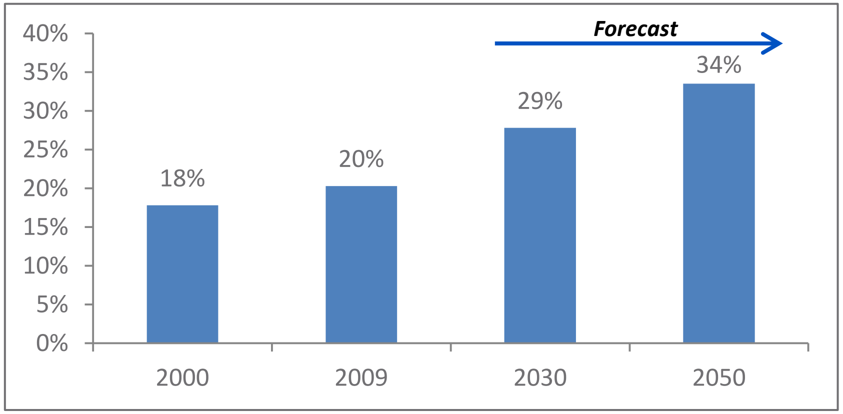
Source: (Top Left & Right) U.S. Energy Information Administration, Bloomberg IMG. Data as of June 30, 2015. (Bottom Left) BofAML Global Research, IMG. Data as of April 26, 2015. (Bottom Right) BofAML Global Research, IMG. Data as of March 31, 2015. The economic and market forecasts presented are for informational purposes as of the date of this report. There can be no assurance that the forecasts will be achieved.

The Longevity Revolution: An aging global population should create opportunities in healthcare, travel and financial services

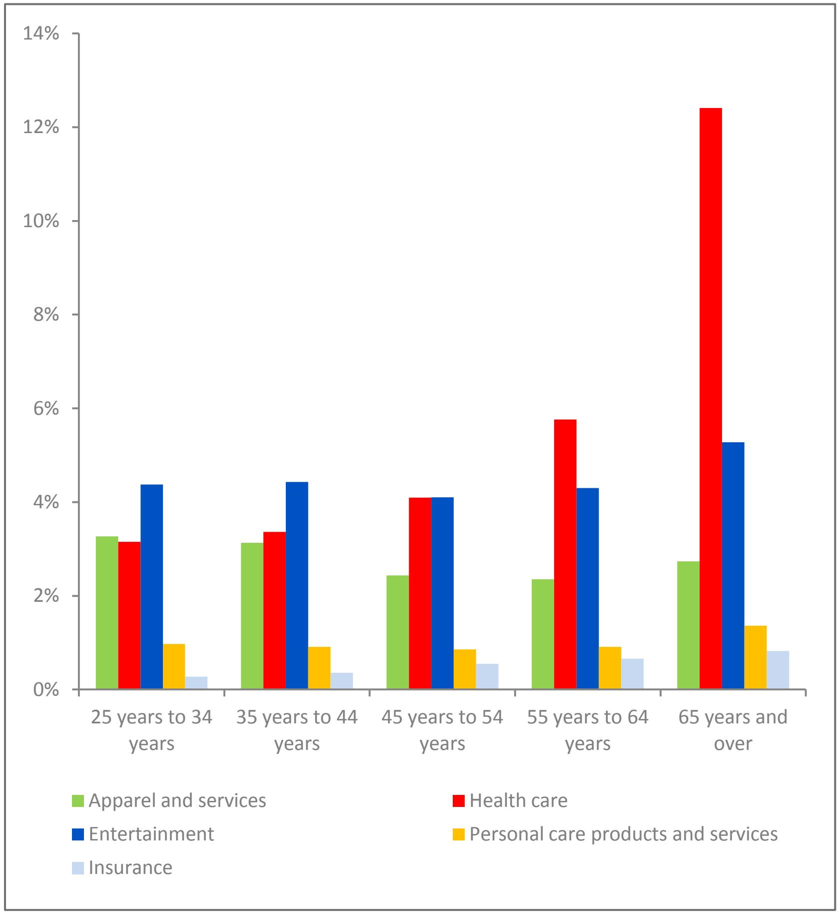
Percentage of U.S. population 65 and older



The global population aged 50 and older is expected to rise



Consumer spending habits shift with age

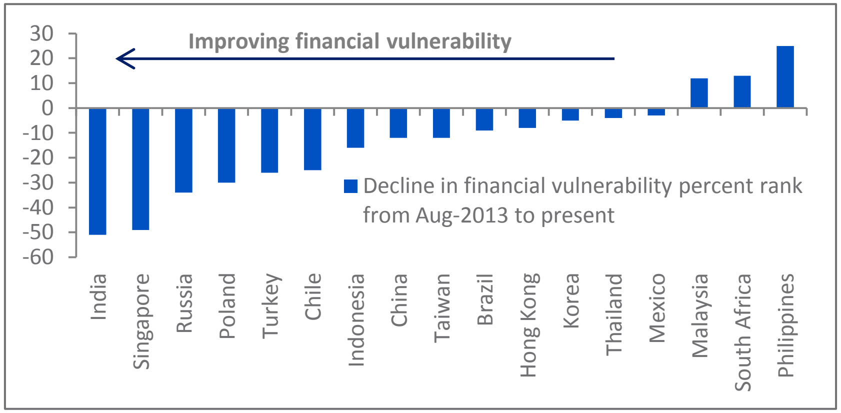


Source: (Top Left & Bottom Left) United States Census Bureau, IMG. Data as of June 2014. (Right) AgeWave, IMG. Data as of May 2013. The economic and market forecasts presented are for informational purposes as of the date of this report. There can be no assurance that the forecasts will be achieved.

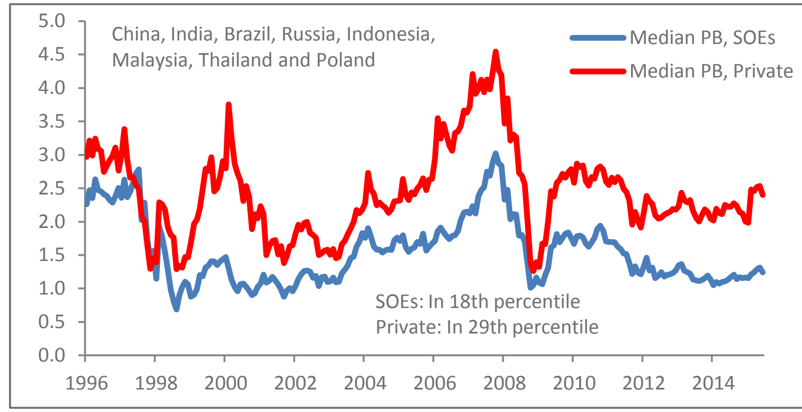
Emerging Market reforms remain in focus as a long-term theme

A Transforming World

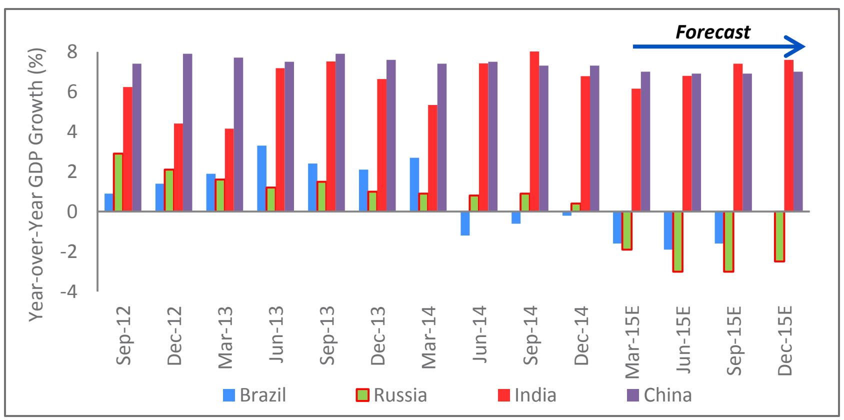
Financial vulnerability* has improved across many Emerging Markets



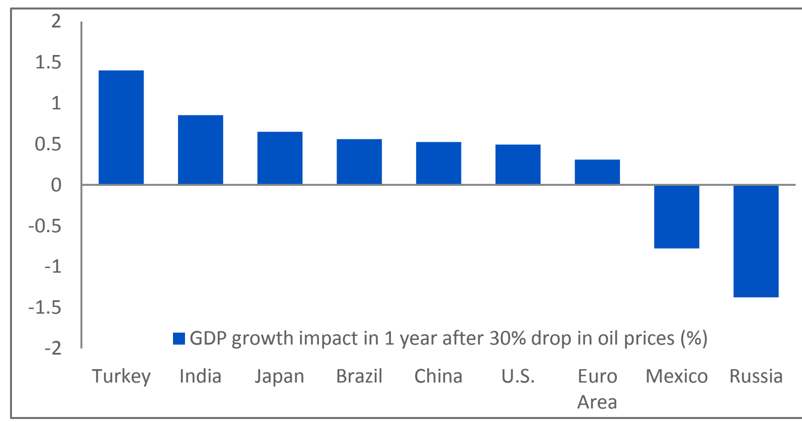
EM State Owned Enterprises (SOEs) trade at a discount to private firms



Growth in India is set to outpace China



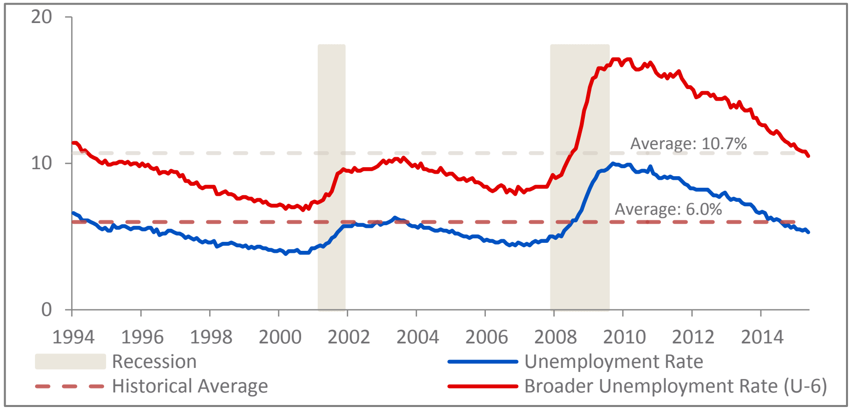
A drop in oil prices should boost the economy of oil-importing nations, but hurts oil exporters



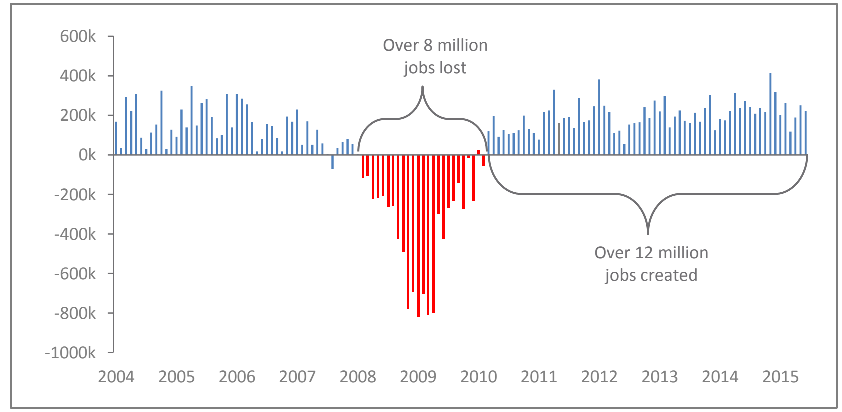
*Source: (Top Left) BofAML Global Research, IMG. Data as of June 21, 2015. *Financial Vulnerability measures the health of a country based on 10 factors covering credit growth, economic performance and external funding position. (Top Right, Bottom Left & Right) BofAML Global Research, IMG. Data as of June 30, 2015. Median Price to Book based on stocks above USD1bn market cap.*

U.S. labor market continued to heal, leading to expectations that the Fed will raise rates soon

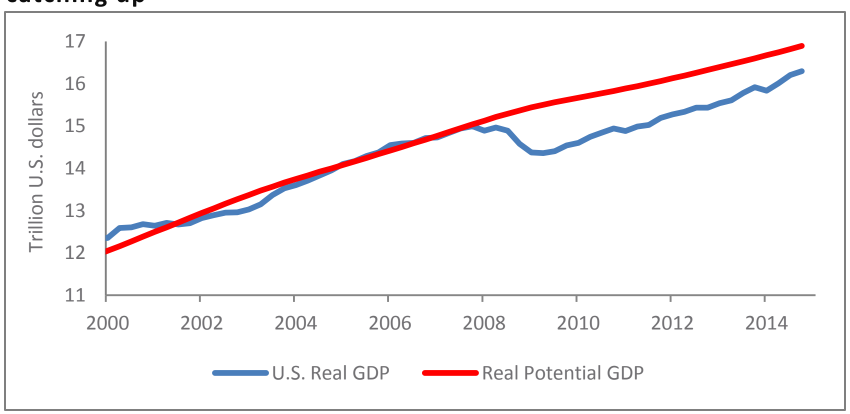
Unemployment falling but not enough to cause rate hikes, yet…



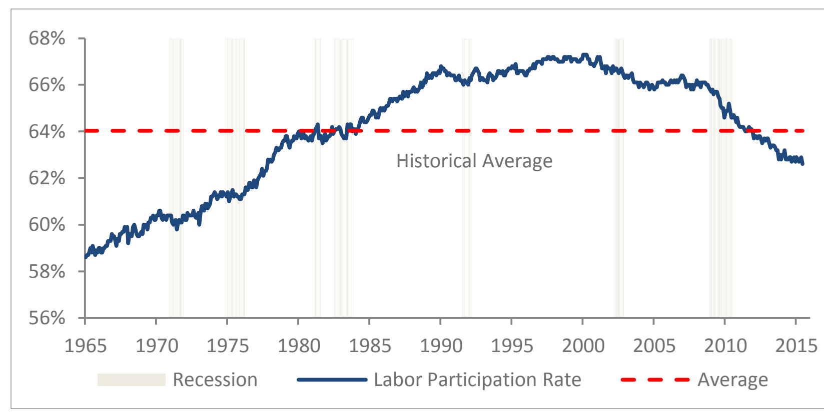
The private sector has been gradually adding jobs



Economic activity has been running below potential, but is slowly catching up



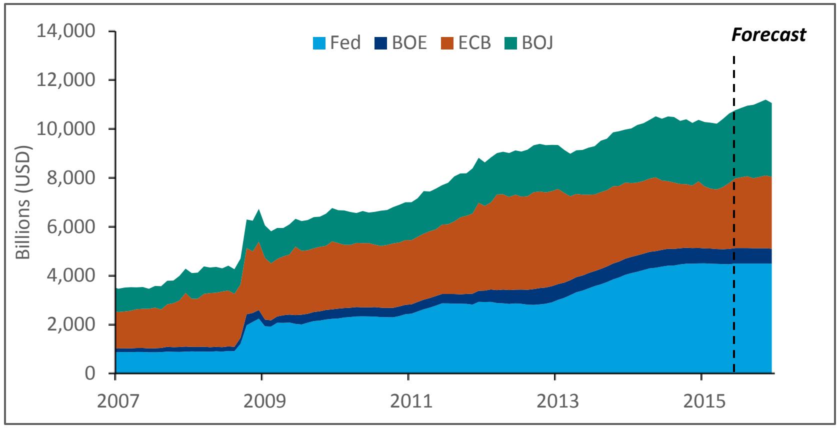
Labor participation rate is falling to multi decade lows



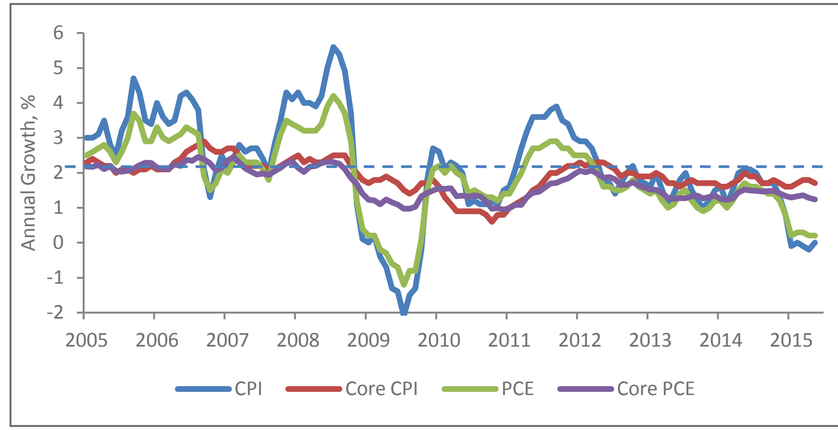
Source: (Top Left & Right, Bottom Right) Bloomberg, IMG. Data as of June 30, 2015. (Bottom Left) Congressional Budget Office, Bloomberg, IMG. Data as of March 31, 2015. Unemployment rate is seasonally adjusted. Real Potential GDP as calculated by the Congressional Budget Office, using chained 2009 dollars.

Interest rates should stay lower for longer as inflation remains weak

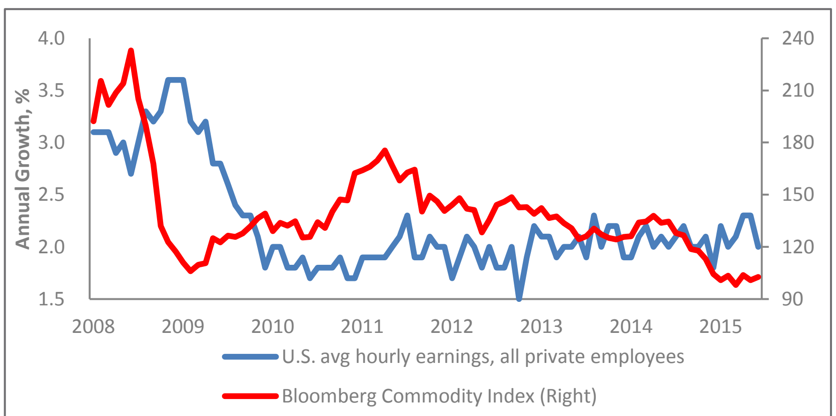
Central bank balance sheets continue to expand, even after Fed QE



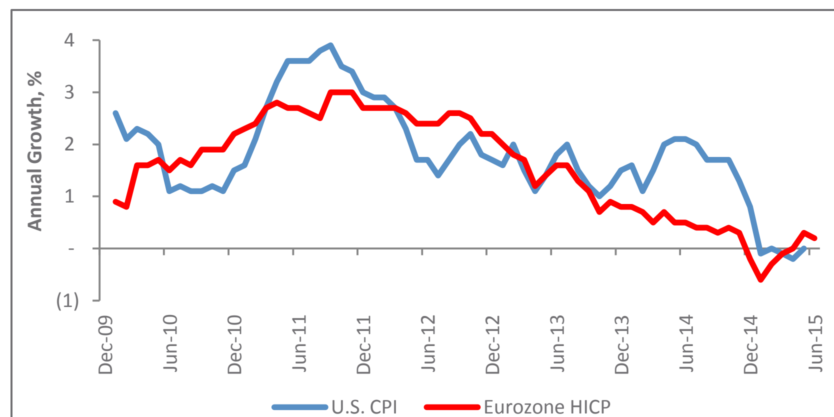
Broad measures of inflation remain below the Fed's 2% target



Factors of production have remained cheap, curbing inflation pressures



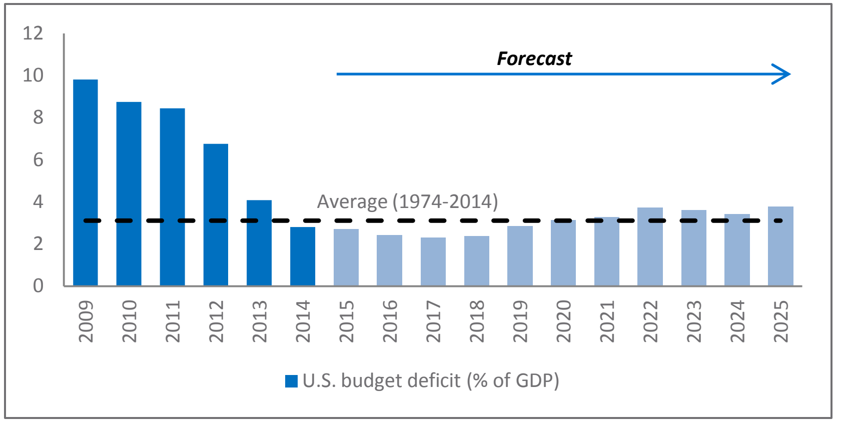
Headline inflation sits near zero in the U.S. and Europe



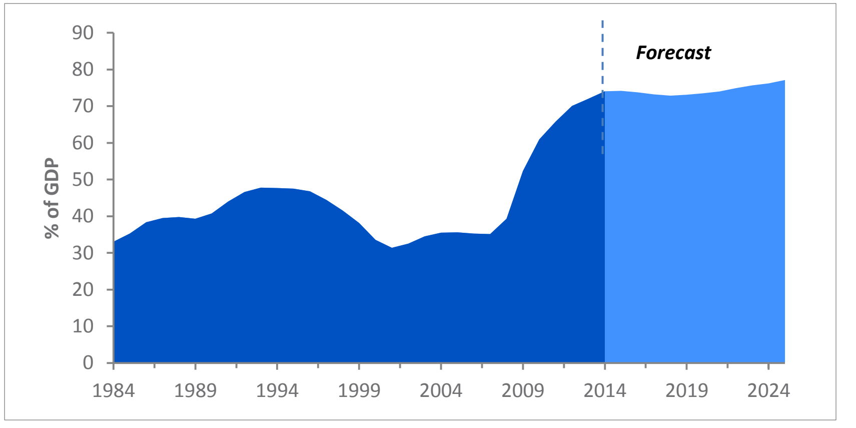
Source: (Top Left) BofAML Global Research, IMG. (Top Right, Bottom Left & Right) Bloomberg, IMG. All data as of June 30, 2015. CPI – Consumer Price Inflation, PCE – Personal Consumption Expenditure, HICP – Harmonized Index of Consumer Prices. Core inflation excludes food and energy prices.

The fiscal health of the U.S. continues to improve, but faces challenges in the long term

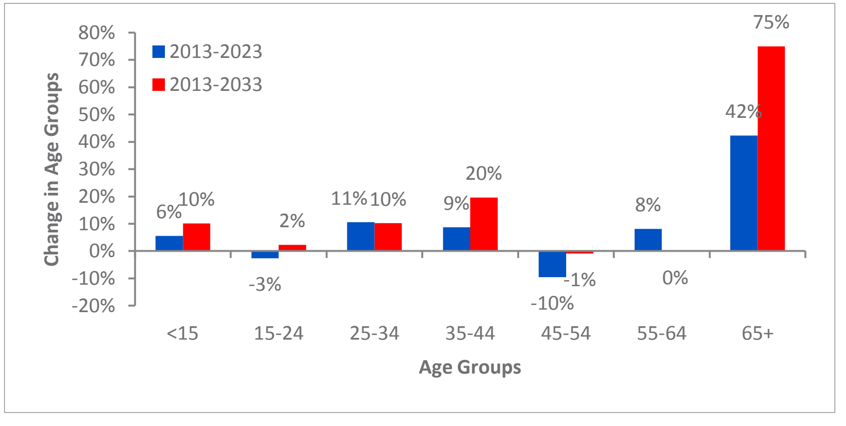
The budget deficit has improved as growth has picked up, but structural headwinds remain



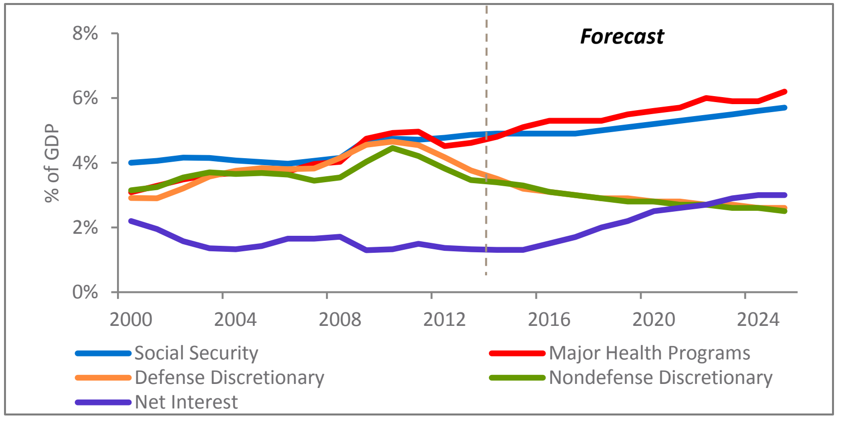
Public debt as % of GDP forecast to remain elevated over the long term



Population growth is expected to be concentrated among the elderly



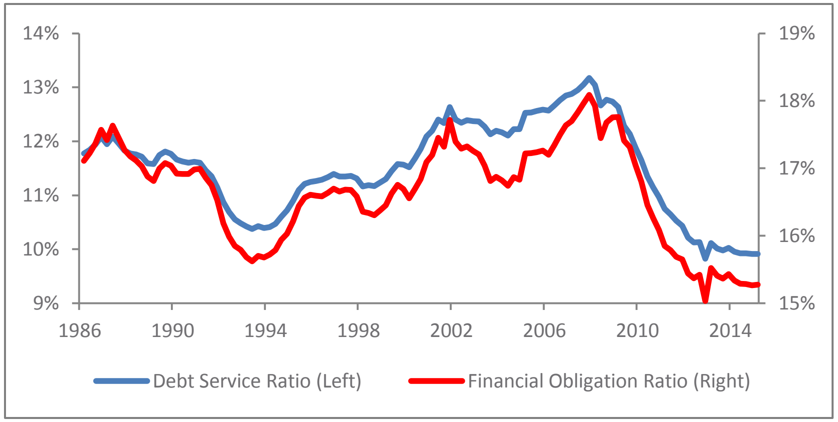
Expect a rise in healthcare, Social Security and interest spending



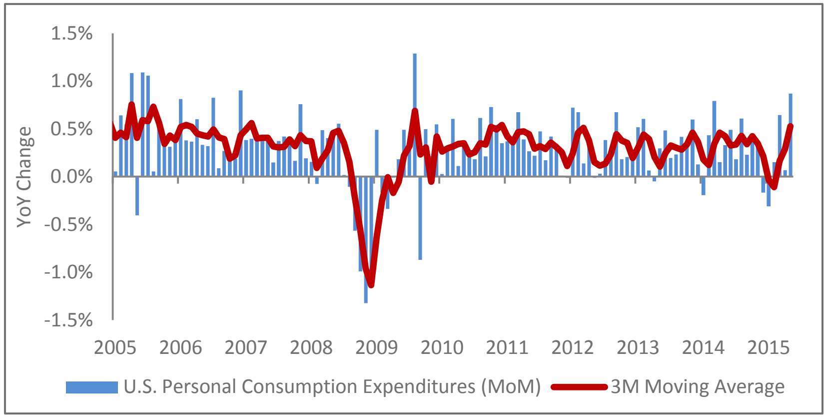
Source: (Top Left & Right, Bottom Right) Congressional Budget Office (CBO), IMG. Data as of June 2015. (Bottom Left) Age Wave, Inc, IMG. Data as of May 2013. The economic and market forecasts presented are for informational purposes as of the date of this report. There can be no assurance that the forecasts will be achieved.

Health of the consumer sector has improved due to a combination of low debt servicing and rising wealth

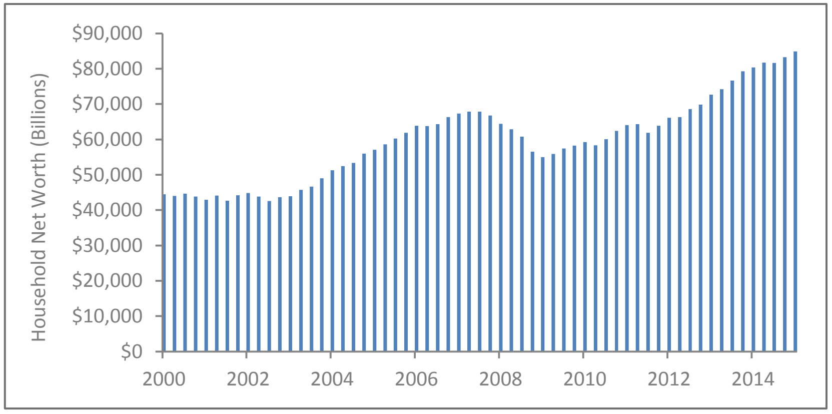
Household debt service ratio at a 30-year low*



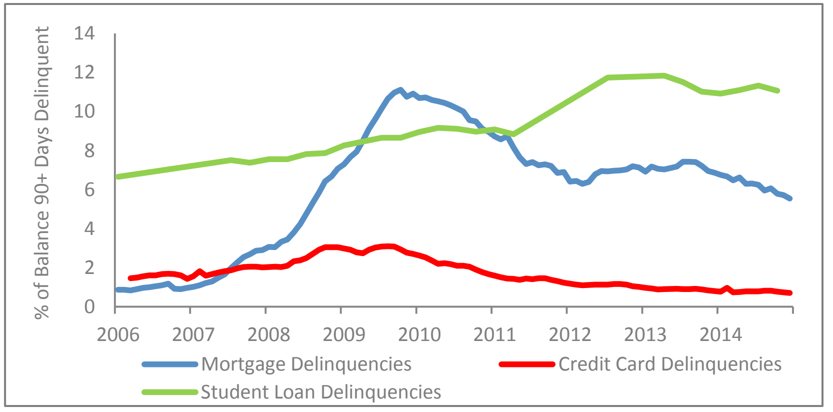
Consumer spending is rebounding from the weak winter months



Household net worth has increased to new highs**



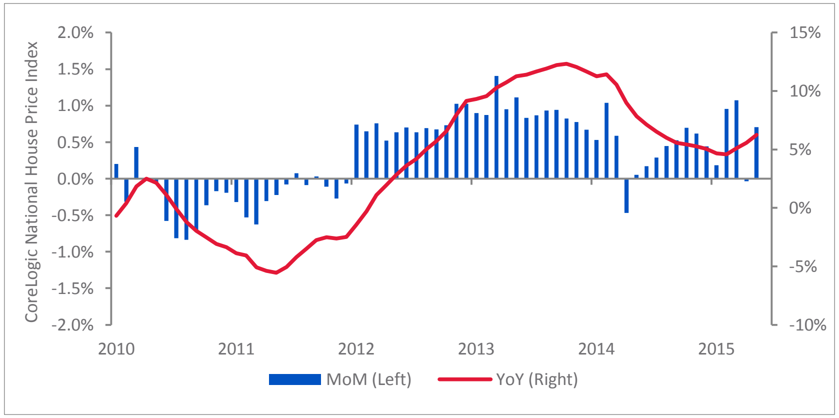
Delinquencies continue to fall



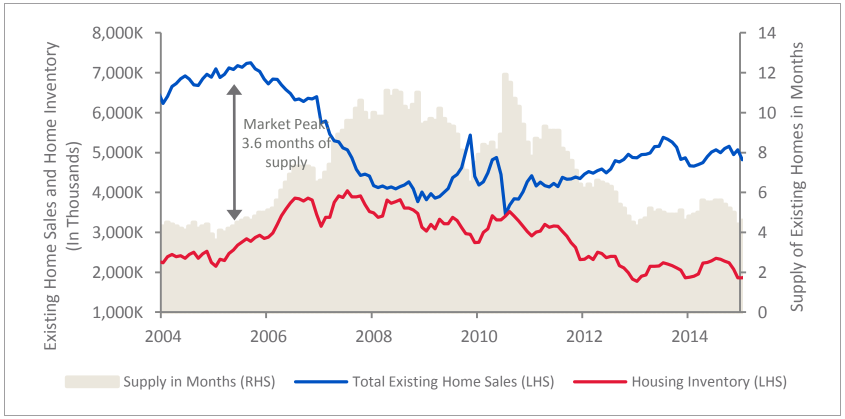
*Source: Bloomberg, IMG. (Top Left & Bottom Left) Data as of March 31, 2015. (Top Right & Bottom Right) Data as of May 31, 2015. *Household debt service ratio is the ratio of total required household debt payments to total disposable income. Financial obligations ratio is the ratio of mortgage payments, credit cards, property tax, lease payments, homeowner's insurance and rental payments, to total disposable income. **Household net worth is the value of all assets less all liabilities for households and nonprofit organizations, including hedge funds, private equity funds and personal trusts.*

Housing sector continues to heal but the pace of improvement is slow

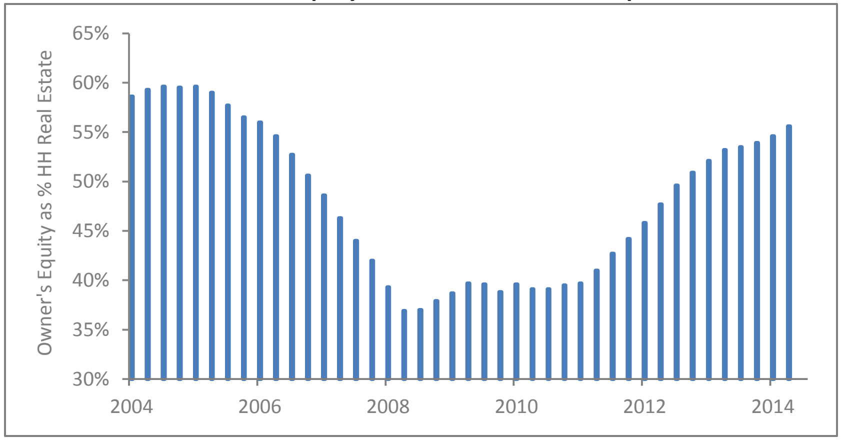
Home prices are expected to continue to rise in 2015



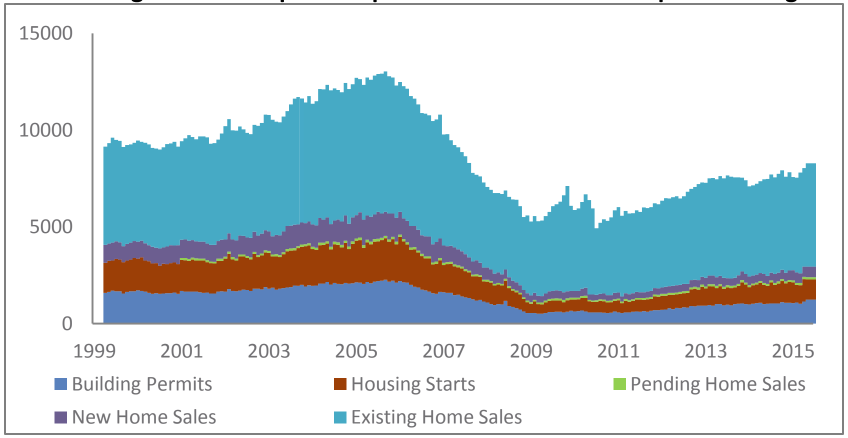
Housing supply remains low but sales growth has been inconsistent



Homeowner's real estate equity has recovered as home prices rebounded



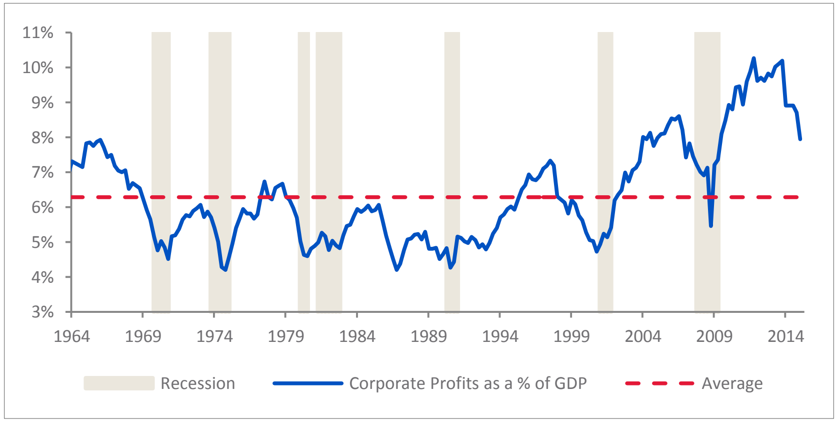
The housing market has picked up but remains well below pre-crisis highs



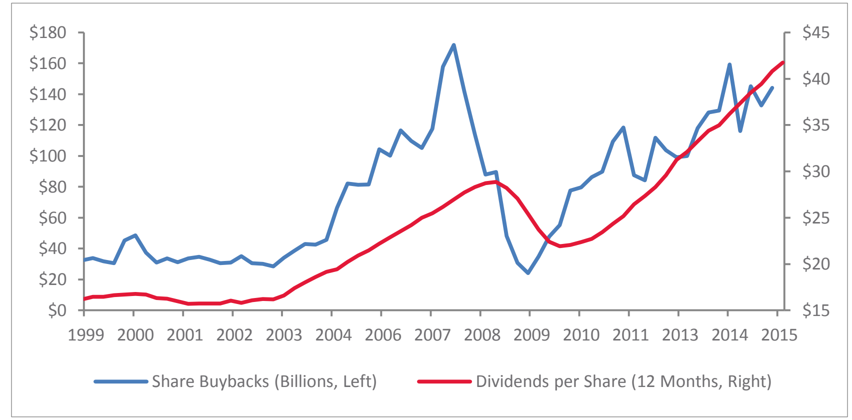
Source: (Top Left & Right) Haver Analytics, IMG. Data as of May 31, 2015. (Bottom Left) Bloomberg, IMG. Data as of March 31, 2015. (Bottom Right) Bloomberg, IMG. Data as of June 30, 2015.

Companies putting cash to use: M&A activity and capital expenditures picked up the most in 2014

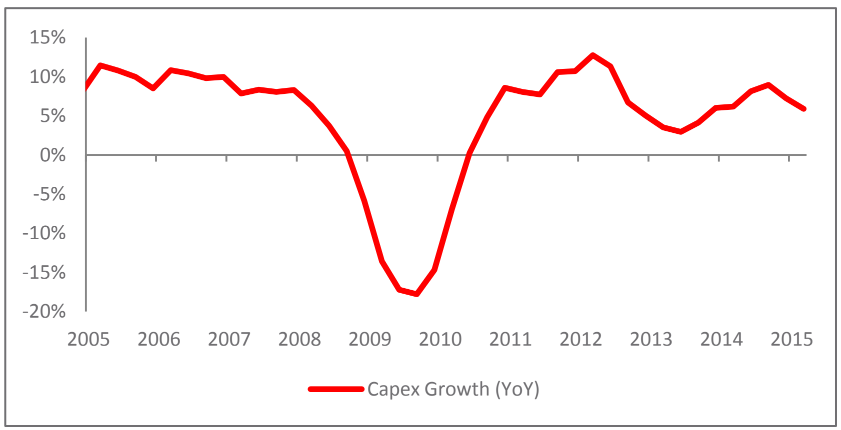
Corporate profits* remain high, but declining modestly from 2013



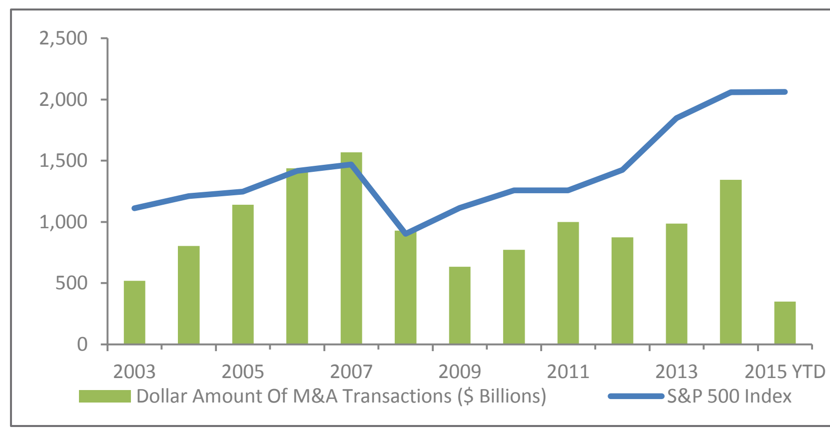
U.S. corporates have been raising dividends and buying back shares



Capex growth in the U.S. has moderated after picking up in 2014**



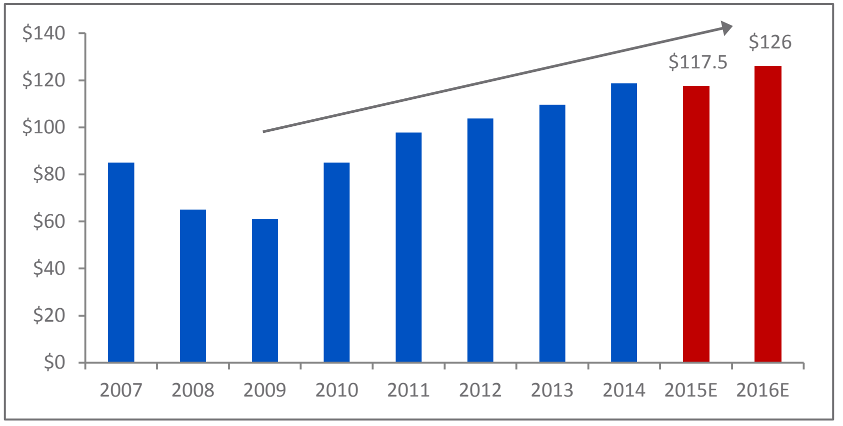
M&A deal values usually rise when the equity market is strengthening



*Source: (Top Left & Right) BEA, Haver Analytics, IMG. *corporate profits defined as US Corporate Profits With IVA and CCA Domestic Industries After Tax (seasonally adjusted). (Bottom Left & Right) Bloomberg, IMG. **Capex (capital expenditures) defined as total private non-residential fixed investment. All data as of June 30, 2015.*

U.S. equity returns may be lower as valuations are higher and earnings prospects have come down

S&P 500 EPS may fall in 2015, but should resume the uptrend in 2016



S&P 500 Index Price-To-Book Ratio: Valuations back to historic averages

Compilation of S&P 500 valuation metrics

Metric	Current	Average	Median	Min	Max	% Above/Below Avg	History
Trailing PE	17.4	16.0	16.6	6.7	30.5	8%	1960-present
Forward Consensus PE	16.3	15.1	14.5	9.7	25.1	8%	1986-present
Trailing Normalized PE	18.6	19.0	18.3	9.2	33.9	-2%	9/1987-present
Shiller PE	26.7	16.6	16.0	4.8	44.2	61%	1881-present
P/BV	2.94	2.87	2.72	1.65	5.87	3%	1986-present
EV/EBITDA	10.5	9.9	9.8	6.3	15.1	6%	1986-present
Trailing PEG	1.57	1.55	1.51	1.07	2.42	2%	2001-present
Forward PEG	1.48	1.32	1.30	0.98	1.82	12%	2001-present
P/OCF	12.3	10.5	10.1	5.5	19.6	17%	1986-present
P/FCF	23.8	28.4	24.2	13.1	65.8	-16%	1986-present
EV/Sales	2.10	1.80	1.81	0.86	2.92	17%	1986-present
ERP (Market-Based)	711	452	401	136	880	57%*	11/1980-present
Normalized ERP	481	277	251	-96	947	74%*	1987-present
S&P 500 in WTI Terms	34.5	22.6	20.7	2.7	109.0	53%	1960-present
S&P 500 in Gold Terms	1.75	1.52	1.04	0.17	5.53	15%	1975-present

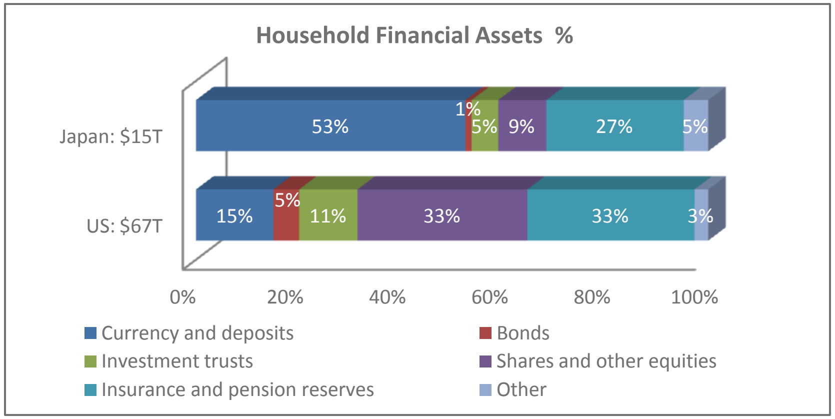
S&P 500 previous peaks vs. current

Metric	2000	2007	Current
S&P 500 Level	1,527	1,565	2,063
S&P 500 Total Return Index	2,107	2,447	3,816
CPI Adjusted S&P 500 (March 2000 = 100)	100	84	97
Trailing EPS	51.02	90.06	118.82
Trailing PE	29.9	17.4	17.4
Forward PE	25.1	15.0	16.3
Normalized PE	34.4	20.3	18.6
Net Debt/EBITDA	3.4	3.4	1.8
Price/Book Value	5.4	3.0	2.9
Enterprise Value/EBITDA	14.0	10.4	10.5
Dividend Yield	1.1%	1.8%	2.1%
10-Year Treasury Yield	6.2%	4.7%	2.4%
% of S&P 500 stocks with dividend yield > 10yr Tsy. yield	6%	7%	37%
Dividend Payout Ratio	32%	30%	33%

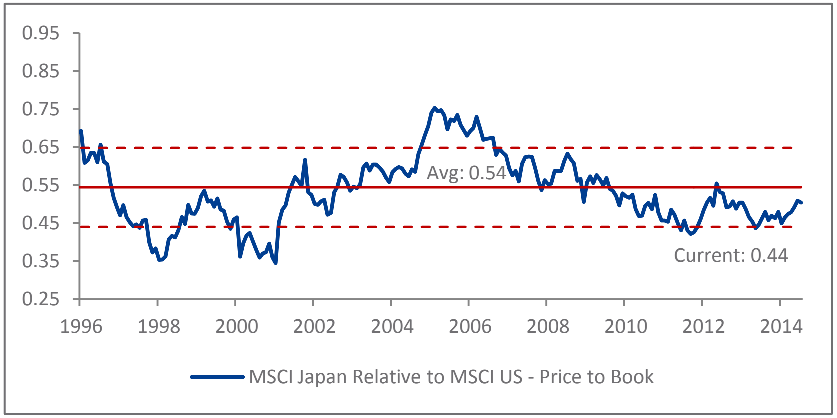
*Source: (Top Left, Bottom Left & Right) BofAML Global Research, IMG. *ERP above average implies equities are attractively valued relative to bonds. (Top Right) Bloomberg, IMG. All data as of June 30, 2015. The economic and market forecasts presented are for informational purposes as of the date of this report. There can be no assurance that the forecasts will be achieved.*

International developed markets also provide equity opportunities

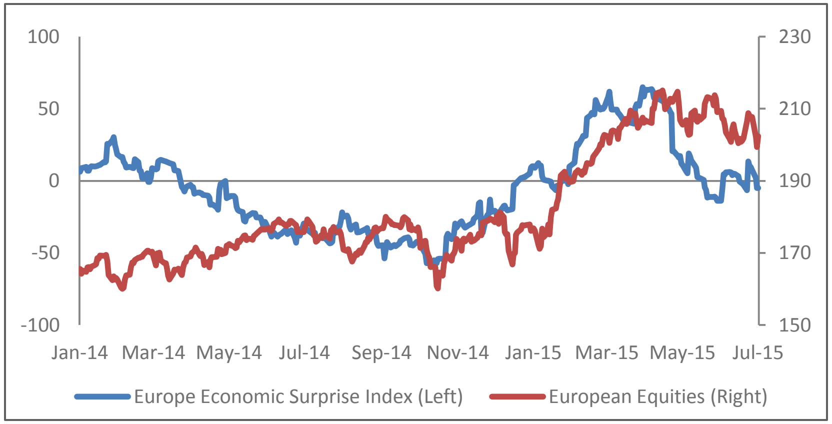
Japanese households hold a majority of their assets in cash, a boon to equities if they reallocate



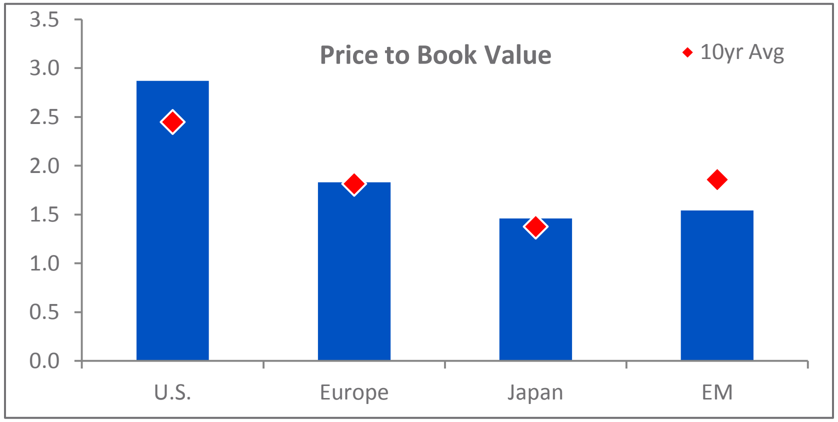
Japanese equities outperformed the U.S. so far this year, but are still trading at relatively attractive multiples



European equities have followed the surprises in growth for the region



Value exists in markets outside the U.S.



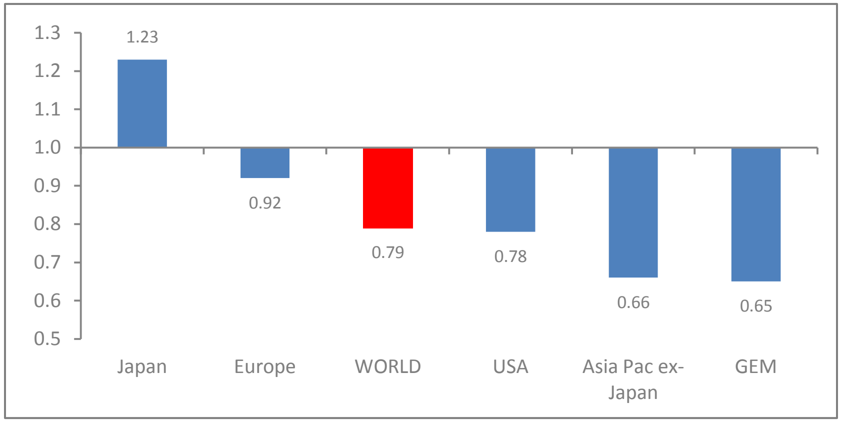
Source: (Top Left) BofAML Global Research, IMG. Data as of March 17, 2015. (Top Right, Bottom Left & Right) Bloomberg, IMG. Data as of June 30, 2015. Citi Economic Surprise Index Eurozone measures data surprises relative to market expectations. A positive reading means the data releases have been stronger than expected and vice versa. Equity regions as represented by respective MSCI Indexes. ***Past performance is no guarantee of future results.***

The earnings outlook in the U.S. has weakened, in contrast to Europe and Japan

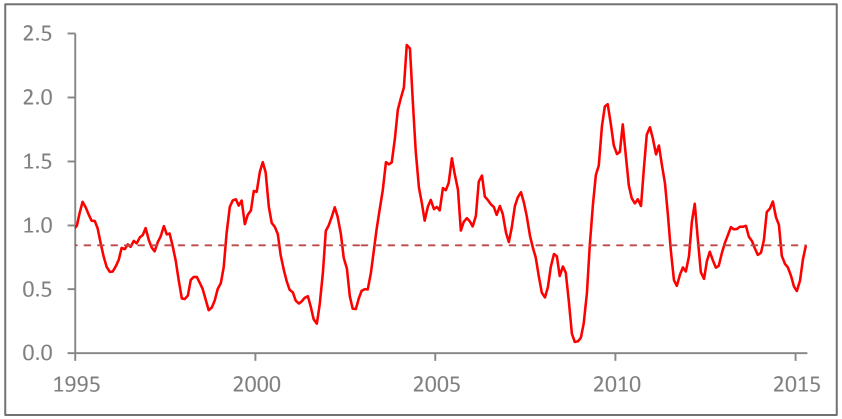
Negative expectations for Q2'15 earnings and sales overall*

	Earnings		Sales	
	YoY%	QoQ%	YoY%	QoQ%
Cons. Disc	3.6%	13.6%	2.4%	4.7%
Staples	(3.6%)	6.1%	2.1%	3.2%
Energy	(62.8%)	(12.9%)	(36.7%)	1.5%
Financials	4.9%	(1.1%)	1.0%	(0.4%)
Healthcare	4.3%	(0.3%)	7.4%	3.6%
Industrials	(3.7%)	12.7%	(4.0%)	4.0%
Technology	(0.1%)	(6.7%)	2.8%	(2.0%)
Materials	2.4%	(6.6%)	(8.6%)	5.8%
Telecom	15.1%	(1.4%)	2.8%	1.3%
Utilities	1.5%	(25.0%)	(0.7%)	(11.6%)
S&P 500	**(5.5%)**	**(0.4%)**	**(4.1%)**	**1.9%**
S&P 500 ex. Financials	**(8.0%)**	**(0.2%)**	**(4.8%)**	**2.2%**
S&P 500 ex Fins & Energy	**0.9%**	**0.7%**	**1.6%**	**2.3%**

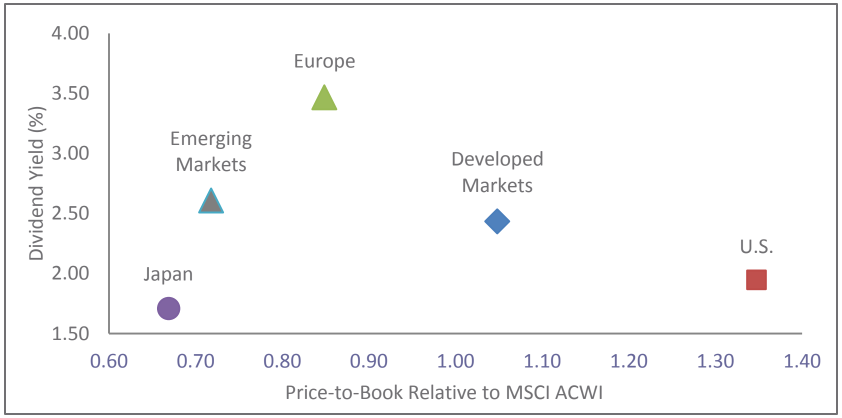
Global 3-Month Earnings Revision Ratios: Japan stands out**



S&P 500 3-month Earnings Revision Ratio moved higher in Q2



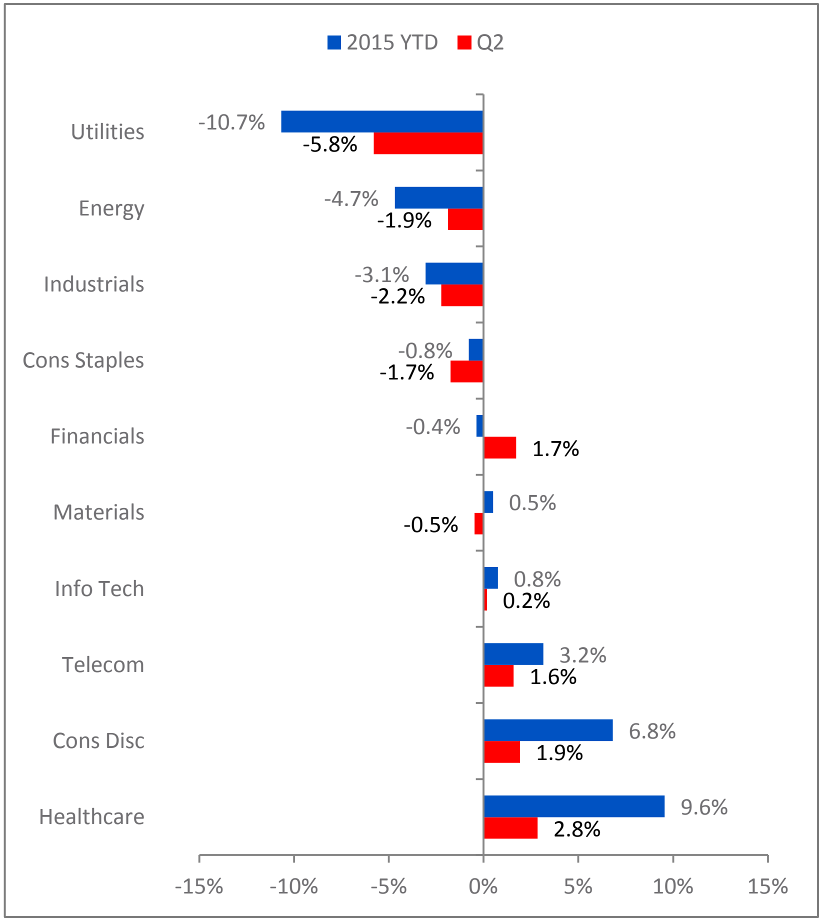
Opportunities remain outside the U.S. for value and yield



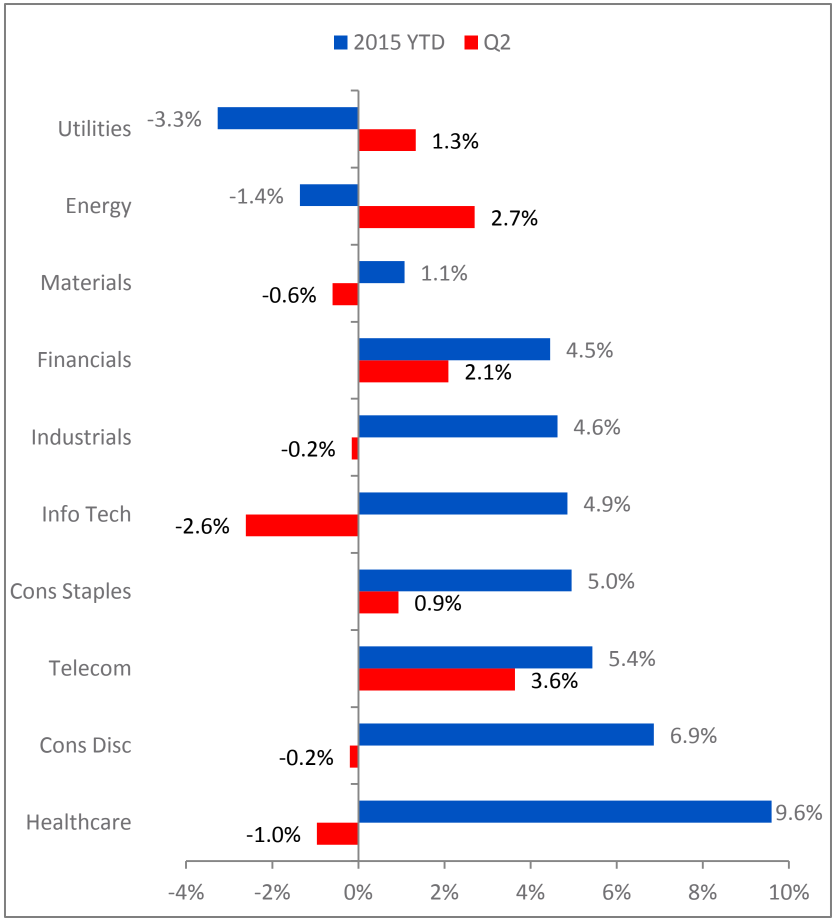
*Source: (Top Left & Right, Bottom Left) BofAML Global Research, IMG. (Bottom Right) Bloomberg, IMG. All data as of June 30, 2015.*Bottom-up consensus expectations as provided by FactSet/First Call. **Earnings Revision Ratio measures the total number of earnings estimate increases divided by total number of earnings-estimate decreases during the past three months. For each region the representative MSCI index is used.*

Equity sector performance: Healthcare led in Q2; while Utilities suffered

S&P 500 Index Sector Returns



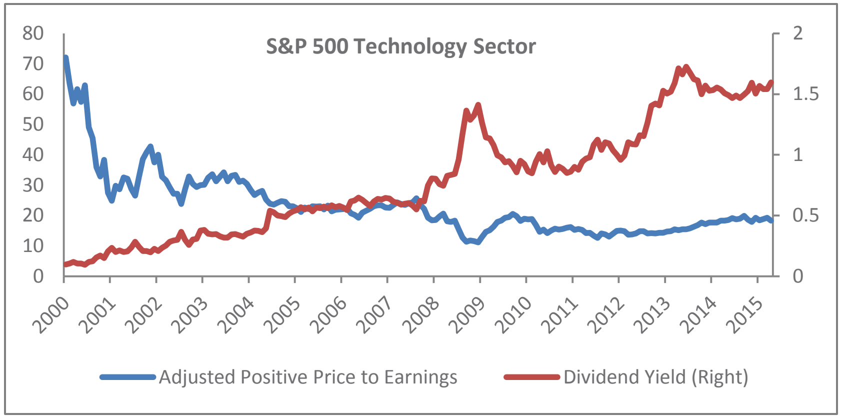
MSCI All-Country World Index Ex U.S. Sector Returns



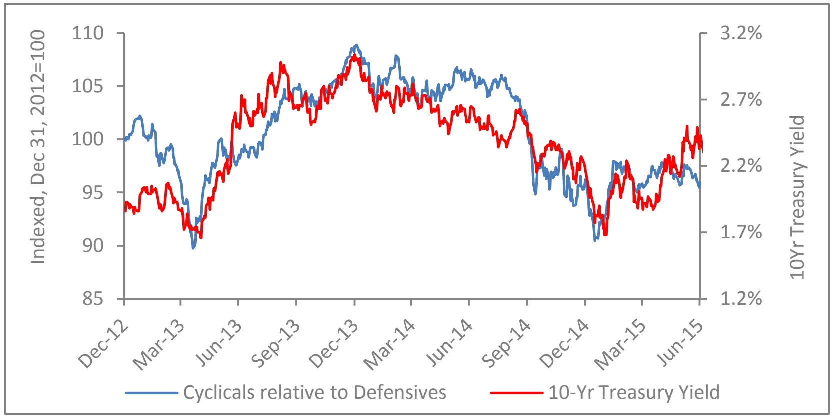
Source: Bloomberg, IMG. Returns calculated are total returns. Data as of June 30, 2015. ***Past performance is no guarantee of future results.***

Technology remains our favored cyclical sector, while Health Care offers opportunities

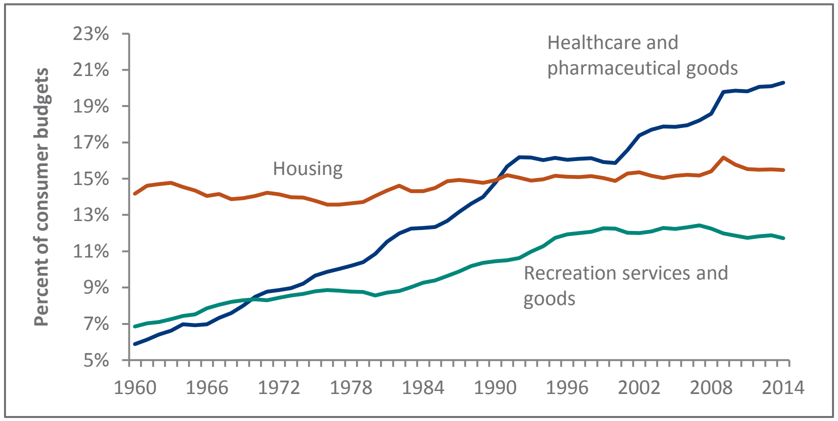
The Technology sector of today is less expensive and higher-yielding than in the "dot-com" era



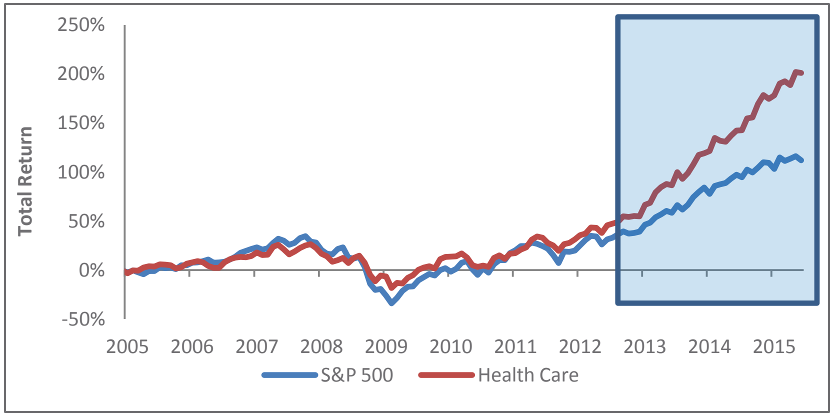
Cyclicals outperformed defensives in Q2 as rates reversed to the upside



Consumer spending on healthcare has increased dramatically



Health Care stocks have taken off since the U.S. Supreme Court upheld the Affordable Care Act

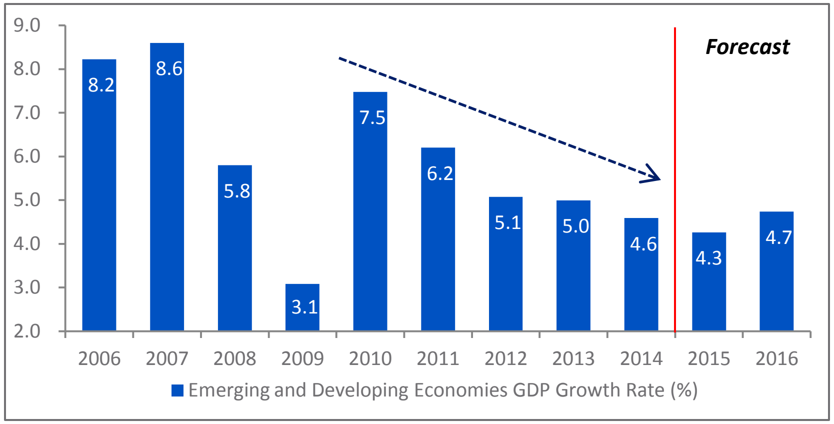


Source: (Top Left & Right, Bottom Right) Bloomberg, IMG. Data as of June 30, 2015. Health Care as represented by S&P 500 Health Care GICS Level 2 Index. (Bottom Left) BofAML Global Research, IMG. Data as of December 31, 2014. ***Past performance is no guarantee of future results.***

Declining oil prices and reforms have created winners and losers in Emerging Markets

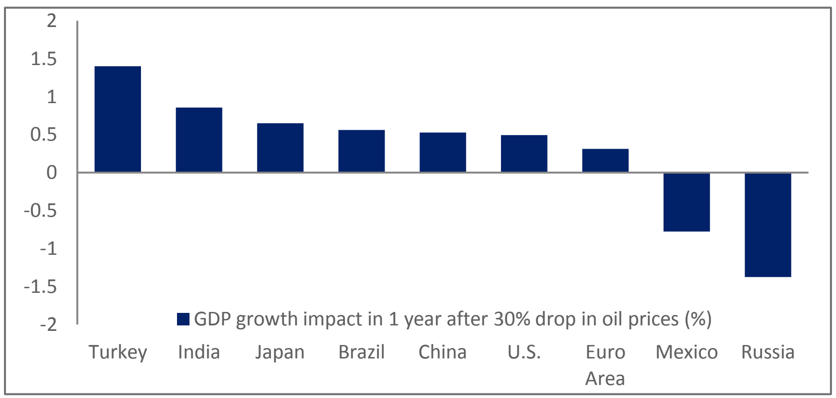
Equities

Economic growth rates across EM have been on a downward trend



India and China have outperformed other Emerging Markets as reforms have taken hold

A drop in oil prices should boost the economy of oil importing nations, but hurts oil exporters

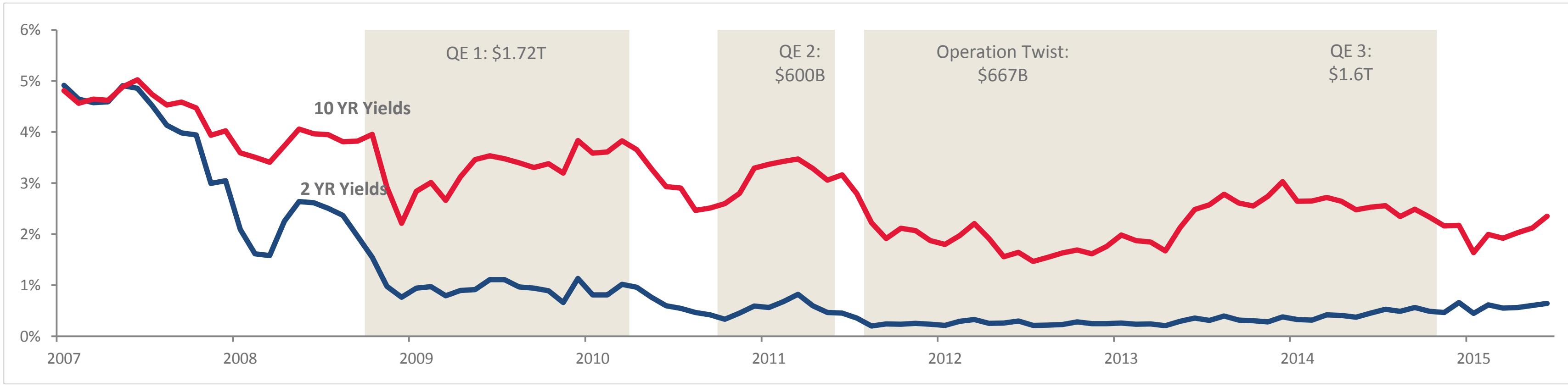


EM equities remain at attractive valuations

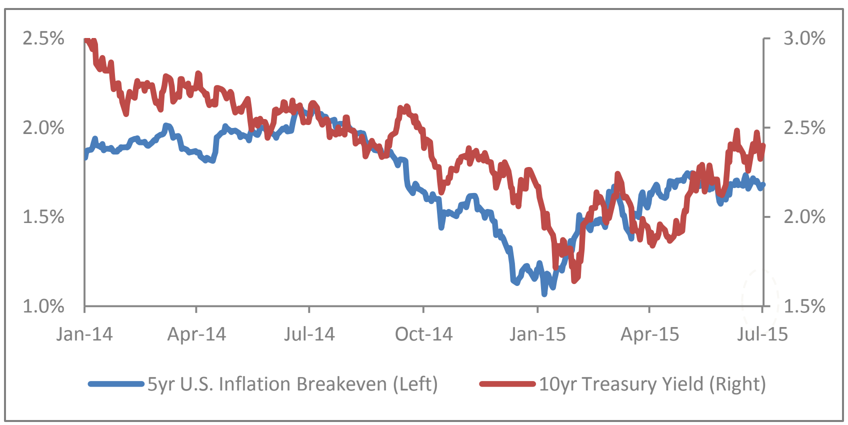
Source: (Top Left) International Monetary Fund, IMG. Data as of April 2015. (Top Right and Bottom Right) Bloomberg, IMG. Data as of June 30, 2015. Emerging Market Equities represented by MSCI Emerging Markets Index, Developed Markets represented by the MSCI World Index. (Bottom Left) BofAML Global Research, IMG. Data as of December 5, 2014. The economic and market forecasts presented are for informational purposes as of the date of this report. There can be no assurance that the forecasts will be achieved. ***Past performance is no guarantee of future results.***

Fixed Income: long-dated bond yields rallied in Q2

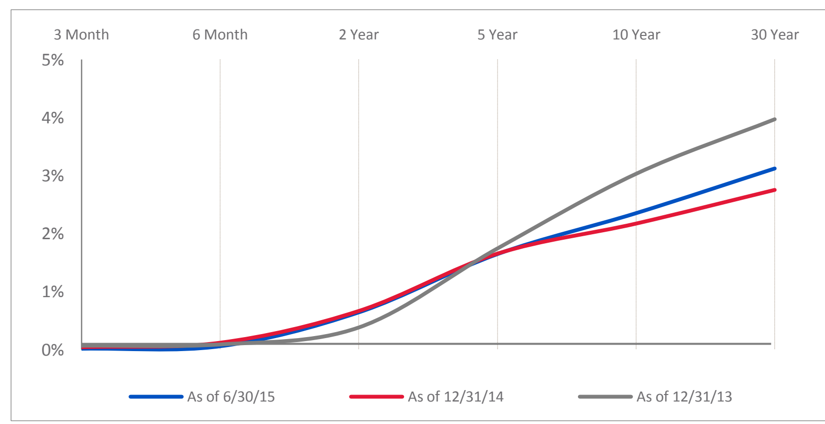
The yield on 10-yr U.S. Treasuries rallied in Q2 and is forecast to rise through 2016



Bond yields have followed rising inflation expectations in the U.S.



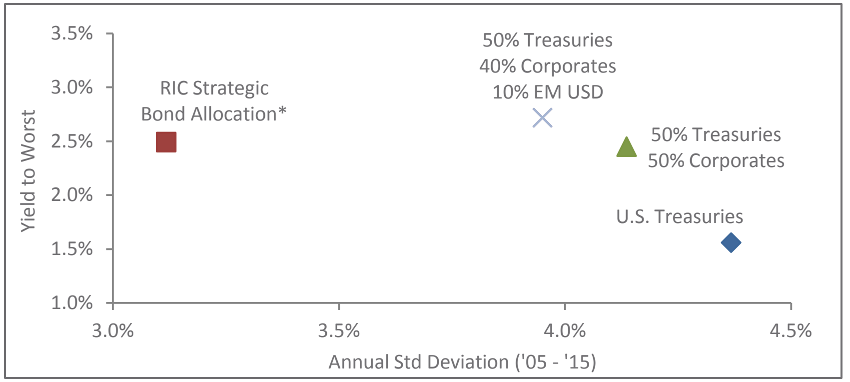
The yield curve steepened as long-term growth prospects improved



Source: Bloomberg, IMG. 5yr Inflation Breakeven is a measure of inflation expectations, and is measured by the difference between the yield of a 5yr government bond and an inflation-protected bond of the same maturity. All data as of June 30, 2015.

Interest rates should remain lower for longer, and a diversified fixed income portfolio can still deliver returns

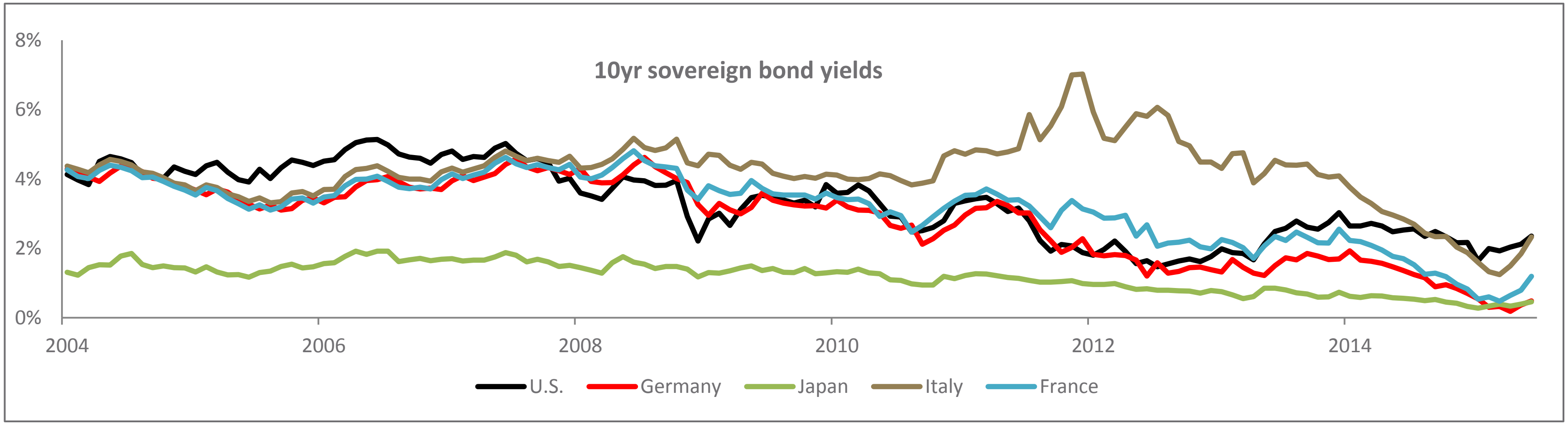
A diversified bond portfolio can deliver yield with lower volatility



High Yield was the best performer in Q2 and year-to-date

	Q2 2015	2015 YTD
Cash	0.01%	0.01%
Treasuries		
2 Year	0.11%	0.62%
10 Year	-3.03%	-0.51%
30 Year	-10.44%	-5.97%
TIPS	-1.32%	0.14%
GSEs	-0.66%	0.61%
MBS	-0.79%	0.21%
Inv. Grade Corp	-2.66%	-0.46%
High Yield	-0.05%	2.49%

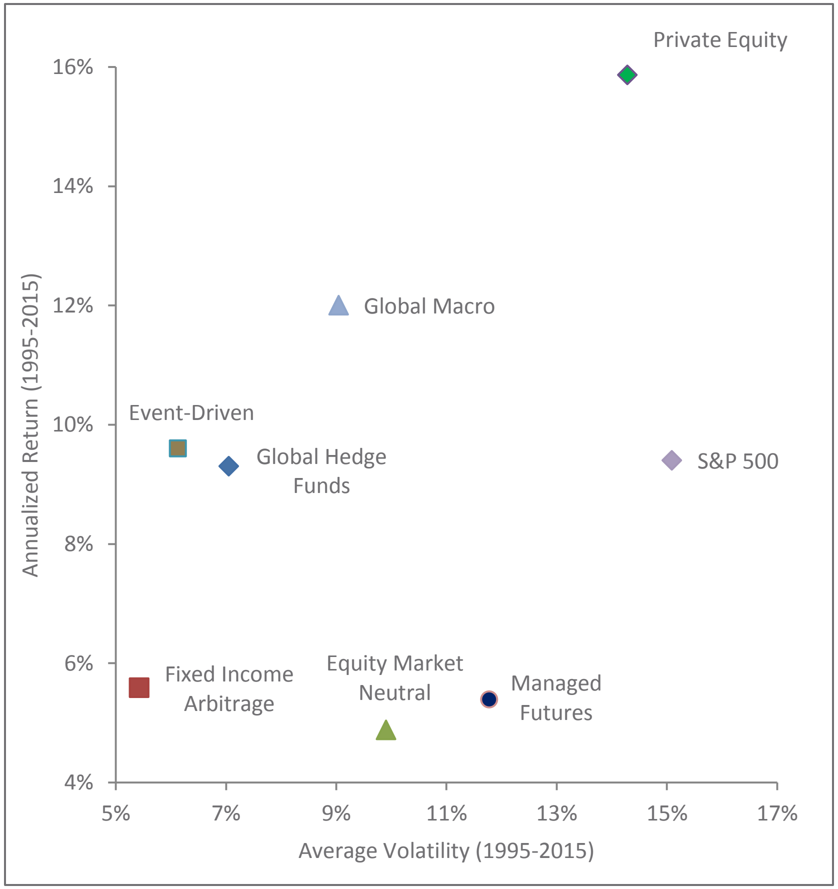
Low international bond yields should provide support for Treasuries even as the Fed hikes rates in the U.S.



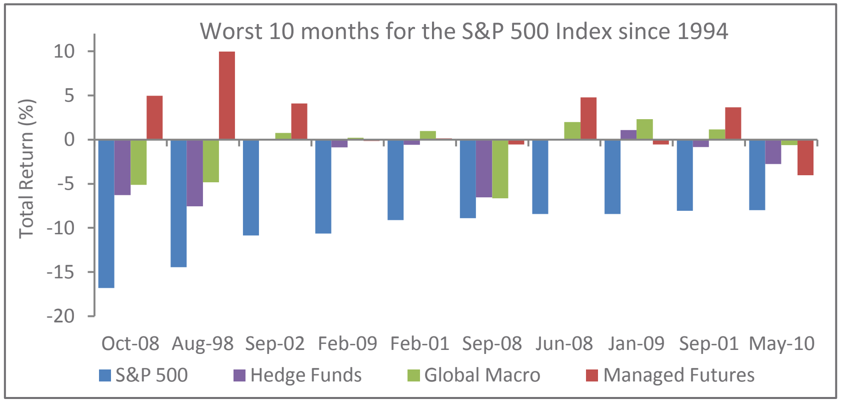
*Source: Bloomberg, IMG. Data as of June 30, 2015. *RIC Strategic Bond Allocation (Moderate) defined as 40% ML U.S. Treasury/Agency Master & 25% ML U.S. Mortgage Master & 25% ML Corporates & 5% ML High Yield & 5% International.* ***. Results shown are based on an index and are illustrative; they assume reinvestment of income and no transaction costs or taxes. Indexes are unmanaged. Direct investment cannot be made in an index. Past performance is no guarantee of future results.***

For Qualified Investors, Alternative Investments can provide diversification and help lower volatility, but selection is crucial

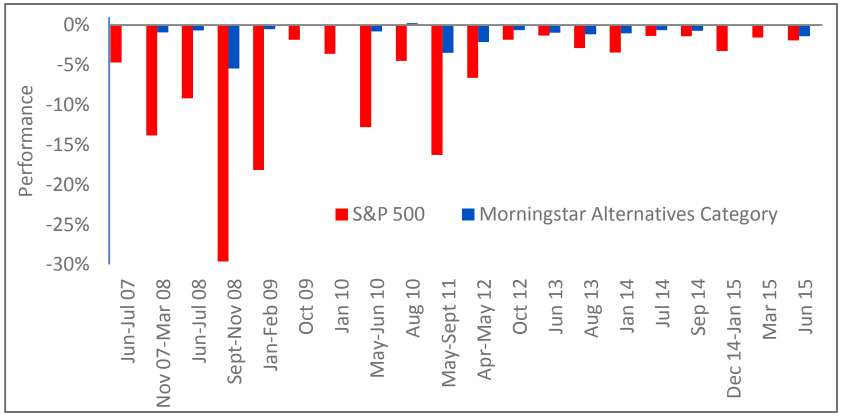
Alternative Investments can complement portfolios by potentially lowering volatility and/or enhancing returns



Hedge funds and other Alternative Investments have historically been resilient to equity market declines



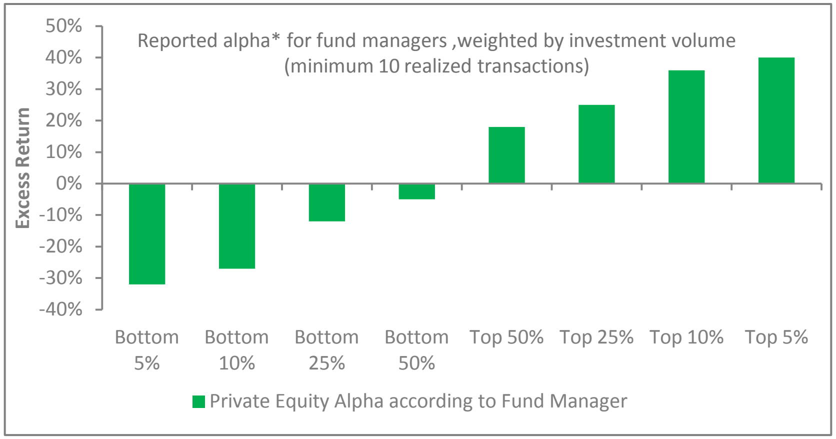
Non-traditional mutual funds have historically protected capital in equity market downturns



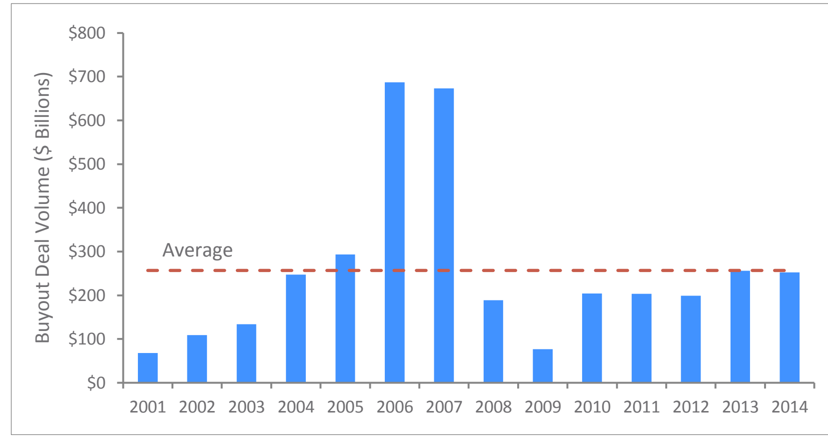
Source: (Left & Top Right) Bloomberg, IMG. Strategies represented by respective Credit Suisse indexes and Cambridge Associates Private Equity Index. Data as of May 31, 2015. (Bottom Right) Morningstar Direct, Bloomberg, IMG. Data as of June 30, 2015. Alternative Investments are not appropriate for all investors based on factors such as risk tolerance and liquidity preferences. ***Past performance is no guarantee of future results. Results shown are based on indices and are illustrative. They do not include fees or taxes. There can be no assurance that an allocation to alternatives would provide higher real returns. See disclosures for more details.***

Private equity firms are cash rich and deal volume is improving

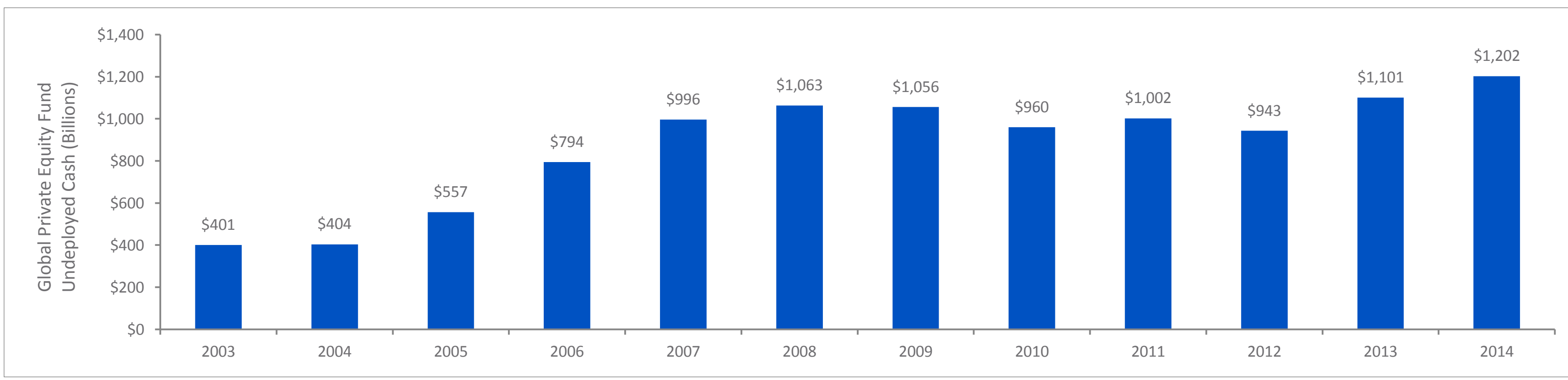
Alpha* across private equity managers has been historically wide



Global buyout deal volume continues to slowly increase



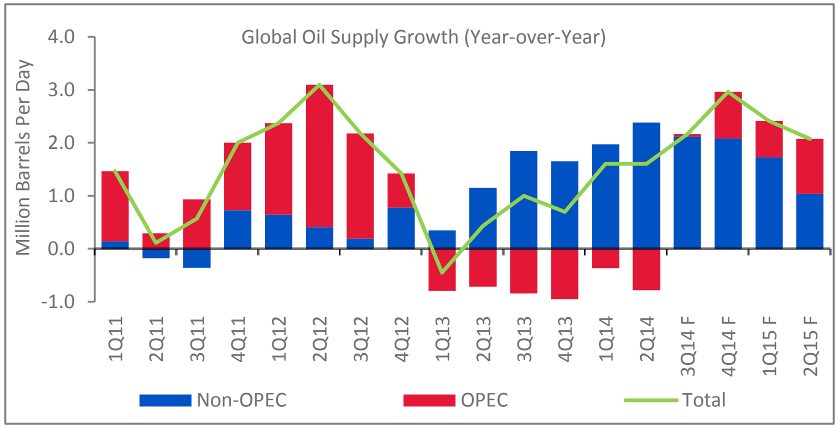
Global private equity firms have high levels of undeployed cash



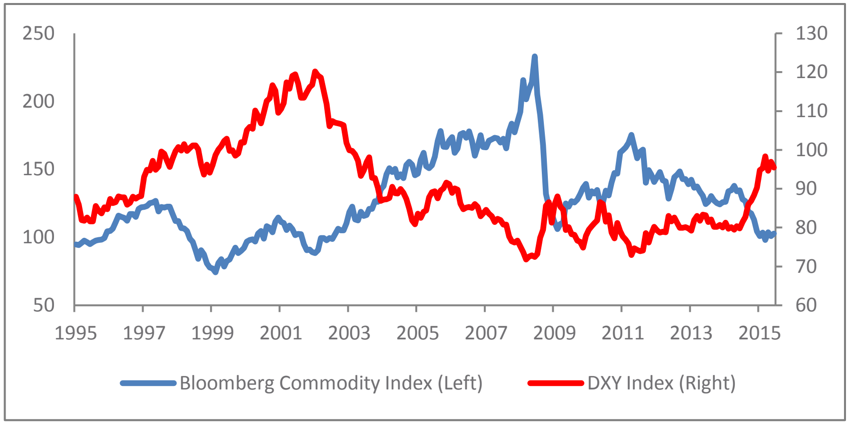
*Source: (Top Left) Golding Capital Partners, HEC (Private Equity Study: Finding Alpha 2.0). *Alpha calculated as excess return of a private equity investment relative to a comparable investment in shares, adjusted for size, leverage and timing. Data as of November 7, 2011. (Top Right, Bottom) Bain 2014 Global Private Equity Report, IMG. Data as of March 2015.* ***Past performance is no guarantee of future results.***

The decline in commodity prices should help spur demand, although headwinds remain

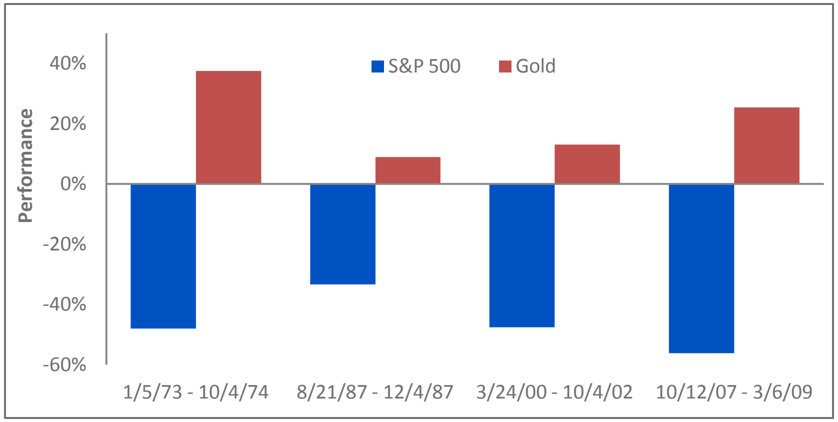
OPEC supply growth is contributing to an oversupply in oil



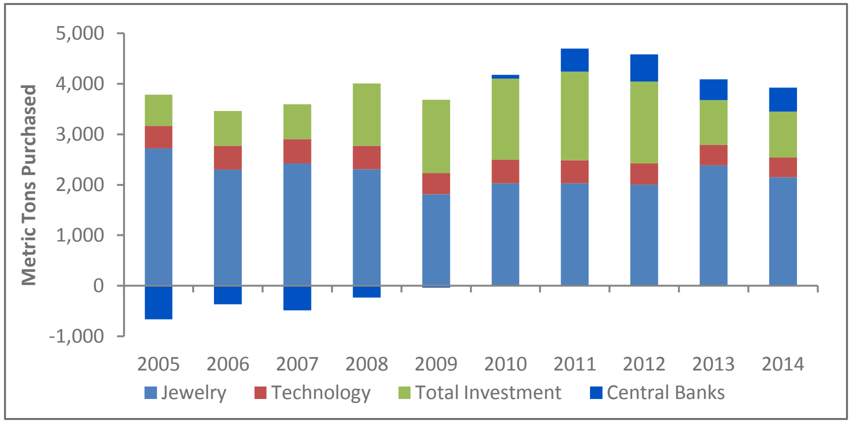
U.S. dollar strength may remain a headwind for commodity prices



Gold has historically performed well during stock market crashes



Central Banks have become net buyers of gold in recent years, helping to offset declining demand from investors

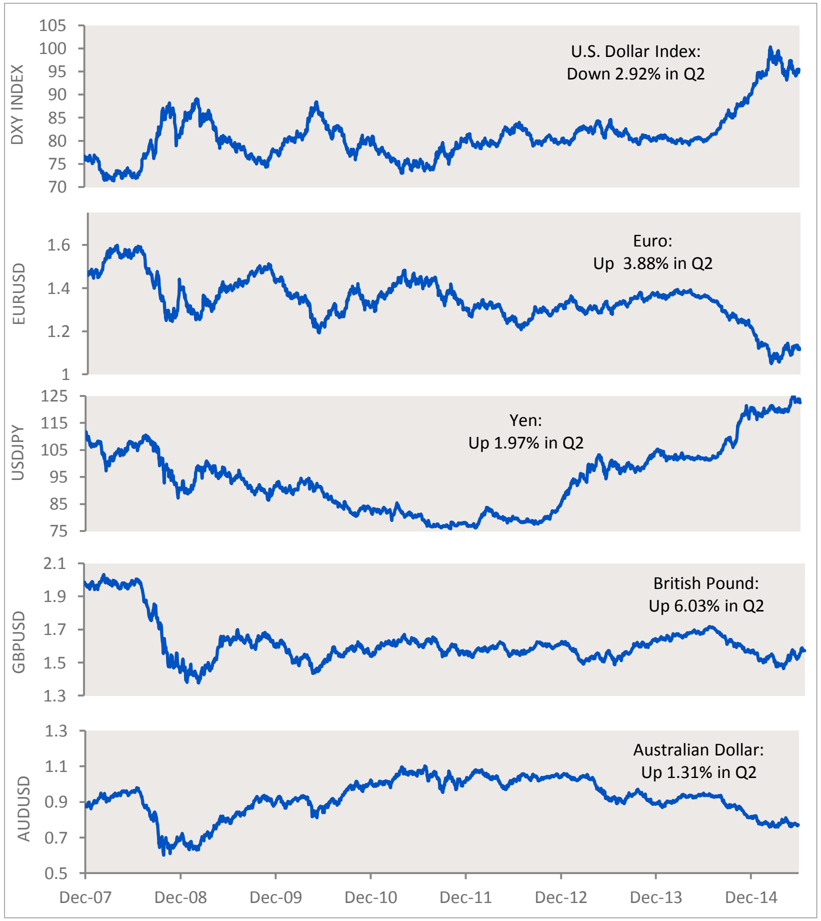


Source: (Top Left) BofAML Global Research, IMG. Data as of June 30, 2015. (Top Right, Bottom Left) Bloomberg, IMG. Stock market crashes represented by drop in S&P 500 of more than 20%. Data as of June 30, 2015. (Bottom Right) World Gold Council, GFMW Thomson Reuters. Total investment demand includes gold bars and coins, ETFs and similar investment vehicles. Data as of 2014. ***Past performance is no guarantee of future results.***

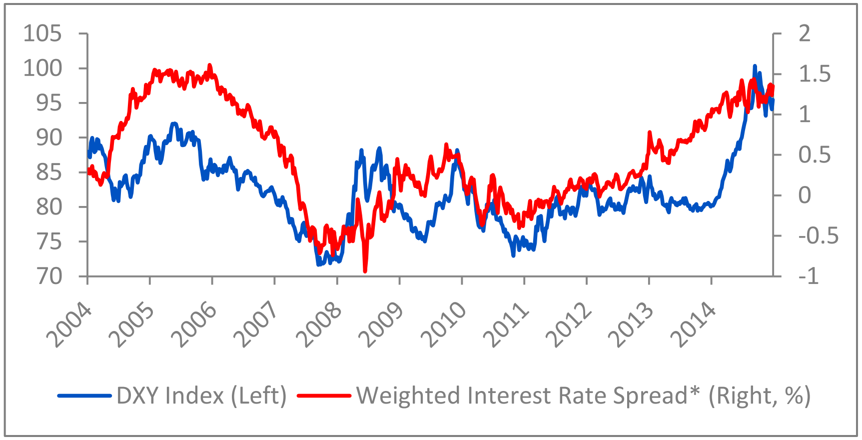
Alternative Investments

The U.S. dollar is expected to remain firm

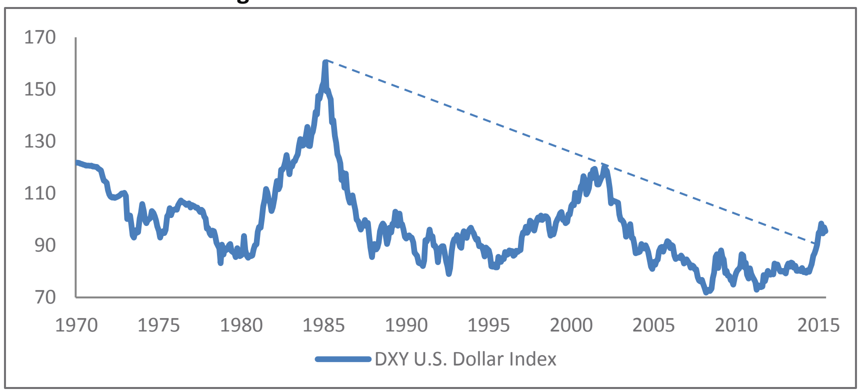
The U.S. dollar retraced some of its gains in Q2



Relatively high Treasury yields have helped push the dollar higher



The long decline in the dollar has started to reverse, and cycles in the dollar tend to be long



*Source: Bloomberg, IMG. Data as of June 30, 2015. *Weighted interest rate spread calculated as U.S. 5-Yr Treasury yield minus weighted 5-Year government bond yields of Europe, Japan, U.K., Canada, Sweden and Switzerland. Respective weights are same as those in the DXY Index.*

Asset allocation changes: Reduced U.S. equity exposure slightly in Q2

Portfolio Management

Most recent RIC asset allocation changes (June 2015) for Tier 0 investors (highest liquidity)

	Conservative		Moderately Conservative		Moderate		Moderately Aggressive		Aggressive	
	Strategic	RIC	Strategic	RIC	Strategic	RIC	Strategic	RIC	Strategic	RIC
Stocks	20%	22%	40%	42%	60%	64%	70%	76%	80%	84%
Bonds	55%	54%	50%	48%	35%	32%	25%	21%	15%	13%
Cash	25%	24%	10%	10%	5%	4%	5%	3%	5%	3%

Allocations for a moderate U.S. Tier 0 investor (highest liquidity)

	Strategic	RIC
Stocks	60%	64%
Lg Cap Growth	23%	24%
Lg. Cap Value	23%	24%
Small Growth	2%	2%
Small Value	2%	1%
Intl: Developed	8%	11%
Intl: Emerging	2%	2%
Bonds	35%	32%
Tsy, CDs & GSEs	13%	12%
Mortgage Backed	9%	8%
IG Corp & Preferred	9%	7%
High Yield	2%	2%
International	2%	3%
Cash	5%	4%

Allocations for a moderate global Tier 0 investor (highest liquidity)

	Strategic	RIC
Stocks	60%	64%
North America	28%	29%
Europe (ex UK)	11%	12%
UK	5%	5%
Japan	5%	8%
Pacific Rim (ex Japan)	3%	2%
Emerging Markets	8%	8%
Bonds	38%	33%
Govt Bonds	24%	19%
Investment Grade Credit	6%	6%
High Yield	1%	1%
Collateralized Debt	7%	7%
Cash	2%	3%

Source: BofA Merrill Lynch Research Investment Committee. Data as of June 9, 2015.

Portfolio Management

Merrill Lynch Current Capital Market Return Assumptions

Asset Class	Index Proxies	Annualized Expected Return	Annualized Expected Volatility	U.S. Large Cap Growth	U.S. Large Cap Value	U.S. Small Cap Growth	U.S. Small Cap Value	International Equity	Emerging Markets	Taxable FI Short Term (1-3 Year)	Taxable FI Int. Term (3-10 Year)	Taxable FI Long Term (10+)	High Yield	International Fixed Income	Cash/Near Cash	Hedge Funds	Private Equity	Real Assets
U.S. Large Cap Growth	Russell 1000 Growth TR	9.9%	20.5%	1.00														
U.S. Large Cap Value	Russell 1000 Value TR	9.2%	16.5%	0.84	1.00													
U.S. Small Cap Growth	Russell 2000 Growth TR	11.5%	28.8%	0.83	0.70	1.00												
U.S. Small Cap Value	Russell 2000 Value TR	9.8%	20.4%	0.71	0.81	0.87	1.00											
International Equity	MSCI Daily TR Net EAFE USD*	10.0%	21.2%	0.58	0.59	0.52	0.51	1.00										
Emerging Markets	MSCI Daily TR Net EM USD*	12.2%	31.5%	0.59	0.60	0.62	0.61	0.59	1.00									
Taxable FI Short Term (1-3 Year)	ML U.S. Treasuries TR 1-3yr	4.2%	3.6%	0.10	0.14	0.00	0.06	0.07	-0.01	1.00								
Taxable FI Int. Term (3-10 Year)	ML U.S. Treasuries TR 3-10yr	5.3%	6.1%	0.10	0.15	-0.01	0.05	0.06	-0.04	0.91	1.00							
Taxable FI Long Term (10+)	ML U.S. Treasuries TR 10yr+	5.6%	12.2%	0.15	0.19	0.04	0.09	0.09	0.01	0.76	0.92	1.00						
High Yield	ML High Yield Master (Cash Pay) TR	6.9%	10.4%	0.51	0.55	0.49	0.56	0.45	0.48	0.35	0.33	0.36	1.00					
International Fixed Income	ML Global Broad Market TR ex USD	5.0%	11.3%	0.14	0.16	0.06	0.06	0.45	0.10	0.50	0.55	0.50	0.29	1.00				
Cash/Near Cash	Ibbotson's 30–Day T-Bill TR Index	3.0%	0.9%	-0.01	0.00	-0.04	-0.03	-0.03	-0.03	0.33	0.14	0.06	-0.06	-0.10	1.00			
Hedge Funds	CS-Tremont Hedge Funds	7.2%	9.7%	0.41	0.41	0.46	0.44	0.46	0.58	0.19	0.18	0.19	0.41	0.06	0.13	1.00		
Private Equity	LPX 50 (USD) TR	11.0%	23.0%	0.48	0.44	0.55	0.51	0.60	0.43	-0.25	-0.26	-0.22	0.28	0.05	-0.06	0.38	1.00	
Real Assets	Real Assets Composite[1]	6.2%	14.1%	0.45	0.56	0.48	0.57	0.66	0.62	0.20	0.21	0.20	0.56	0.42	-0.09	0.51	0.56	1.00

Source: IMG Investment Analytics. 1.(55%) FTSE-NAREIT Global TR; (35%) DJUBS TR Index; (10%) ML US Treasury Inflation Linked TR

Please note that the foregoing expected returns and volatility are based on GWM IMG's assumptions only and there is no guarantee that these projections will prove accurate. Of course, wide variations in this expected performance is possible over the course of the 20-30 year time horizon. Data as of December 31, 2014. ***Past performance is no guarantee of future results.***

Historical Asset Class Performance

Portfolio Management

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Commodities 31.8%	Hedge Funds 8.7%	Commodities 25.9%	MSCI EM 56.3%	REITS 32.0%	MSCI EM 34.5%	REITS 37.5%	MSCI EM 39.8%	US Treasuries 14.0%	MSCI EM 79.0%	Gold 29.5%	Gold 10.1%	REITS 28.3%	S&P 500 32.4%	S&P 500 13.7%
Hedge Funds 14.3%	US Fixed Inc 8.3%	Gold 24.8%	MSCI EAFE 39.2%	MSCI EM 26.0%	Commodities 21.4%	MSCI EM 32.6%	Gold 31.0%	Gold 5.8%	MSCI EAFE 32.5%	REITS 19.5%	US Treasuries 9.8%	MSCI EM 18.6%	MSCI World 27.4%	REITS 11.7%
US Treasuries 13.4%	US Treasuries 6.7%	US Treasuries 11.6%	MSCI World 33.8%	MSCI EAFE 20.7%	Gold 17.9%	MSCI EAFE 26.9%	Commodities 16.2%	US Fixed Inc 4.5%	REITS 31.7%	MSCI EM 19.2%	US Fixed Inc 7.8%	MSCI EAFE 17.9%	MSCI EAFE 23.3%	US Fixed Inc 6.3%
US Fixed Inc 11.7%	Cash 4.4%	US Fixed Inc 10.3%	REITS 33.5%	MSCI World 15.2%	MSCI EAFE 14.0%	Gold 23.2%	MSCI EAFE 11.6%	Cash 2.1%	MSCI World -30.8%	Commodities 16.8%	S&P 500 2.1%	MSCI World 16.5%	Hedge Funds 6.1%	US Treasuries 6.0%
REITS 8.5%	Gold 2.5%	Hedge Funds 4.7%	S&P 500 28.7%	S&P 500 10.9%	REITS 10.7%	MSCI World 20.7%	MSCI World 9.6%	Hedge Funds -23.3%	S&P 500 26.5%	S&P 500 15.1%	Cash 0.1%	S&P 500 16.0%	REITS 4.4%	MSCI World 5.5%
Cash 6.2%	MSCI EM -2.4%	Cash 1.8%	Commodities 23.9%	Commodities 9.1%	MSCI World 10.0%	S&P 500 15.8%	US Treasuries 9.1%	Commodities -35.6%	Gold 24.4%	MSCI World 12.3%	MSCI World -5.0%	Gold 7.1%	Cash 0.1%	Cash 0.0%
Gold -5.9%	REITS -7.8%	REITS -2.4%	Gold 19.4%	Gold 5.5%	S&P 500 4.9%	Hedge Funds 9.3%	US Fixed Inc 7.0%	S&P 500 -37.0%	Commodities 18.9%	MSCI EAFE 8.2%	REITS -5.7%	US Fixed Inc 4.5%	US Fixed Inc -2.2%	Hedge funds -1.0%
S&P 500 -9.1%	S&P 500 -11.9%	MSCI EM -6.0%	Hedge Funds 13.4%	US Fixed Inc 4.3%	Cash 3.1%	Cash 4.9%	S&P 500 5.5%	MSCI World -40.3%	Hedge Funds 13.4%	US Fixed Inc 6.8%	Hedge Funds -8.9%	Hedge Funds 3.5%	MSCI EM -2.3%	Gold -1.7%
MSCI World -12.9%	MSCI World -16.5%	MSCI EAFE -15.7%	US Fixed Inc 4.1%	US Treasuries 3.5%	US Treasuries 2.8%	US Fixed Inc 4.4%	Cash 5.0%	MSCI EAFE -43.1%	US Fixed Inc 6.1%	US Treasuries 5.9%	MSCI EAFE -11.7%	US Treasuries 2.2%	US Treasuries -3.3%	MSCI EM -1.8%
MSCI EAFE -14.0%	Commodities 19.5%	MSCI World -19.5%	US Treasuries 2.3%	Hedge Funds 2.7%	Hedge Funds 2.7%	US Treasuries 3.1%	Hedge Funds 4.2%	REITS -50.2%	Cash 0.2%	Hedge Funds 5.2%	Commodities -13.3%	Cash 0.1%	Commodities -9.5%	MSCI EAFE -4.5%
MSCI EM -30.9%	MSCI EAFE -21.2%	S&P 500 -22.1%	Cash 1.1%	Cash 1.3%	US Fixed Inc 2.6%	Commodities 2.1%	REITS -10.0%	MSCI EM -53.2%	US Treasuries -3.7%	Cash 0.1%	MSCI EM -18.2%	Commodities -1.1%	Gold -28.0%	Commodities -17.0%

Source: Bloomberg, IMG. Cash, Commodities, Gold, Hedge Funds, Reits, US Fixed Income, and US Treasuries represented by the BofAML 3-Month Treasury Bills Index, DJUBS Commodity Total Return Index, GOLDS Index, HFRX Global Hedge Fund Index, UNGL Index, BofAML Broad Market Bond Index, and BofAML Treasury Master Index, respectively. Returns calculated are total returns with exception of Gold returns (spot returns). ***Past performance is no guarantee of future results. Results shown are based on an index 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.***

Appendix

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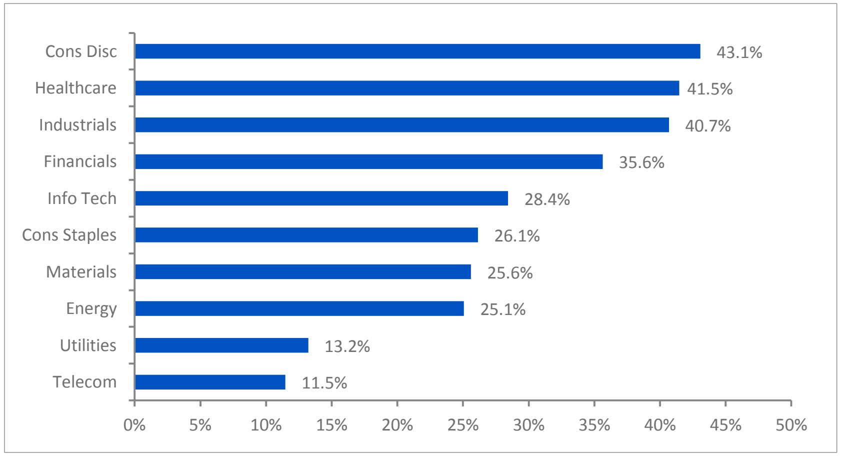
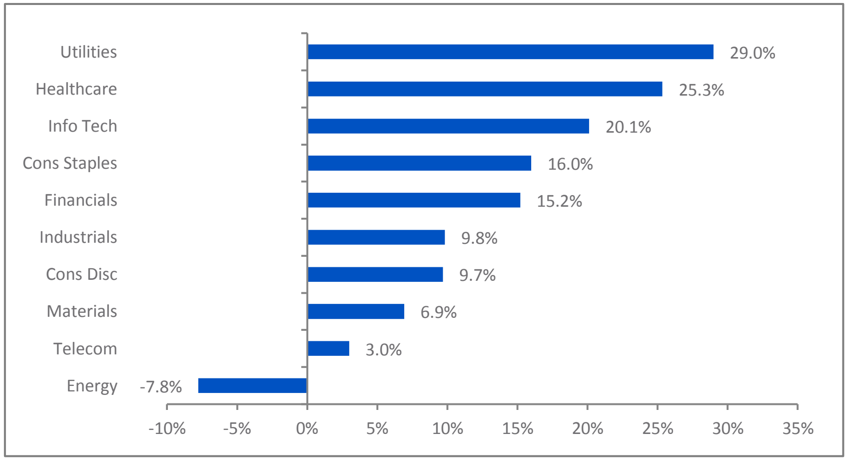
U.S. Equity Sector Performance (S&P 500)

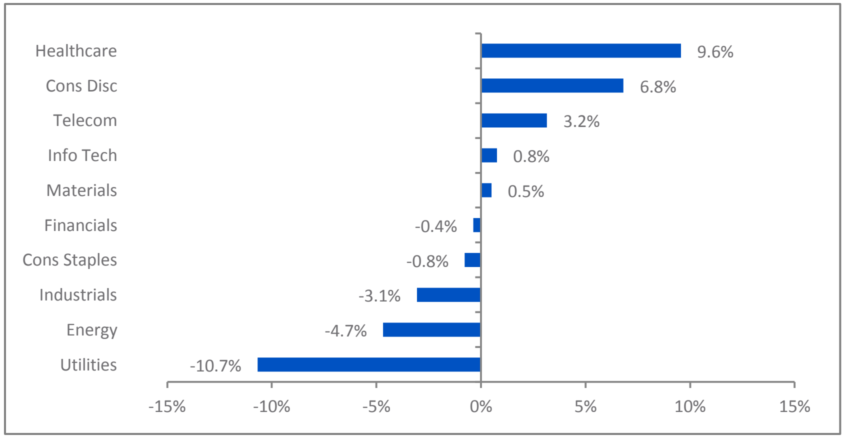
2013



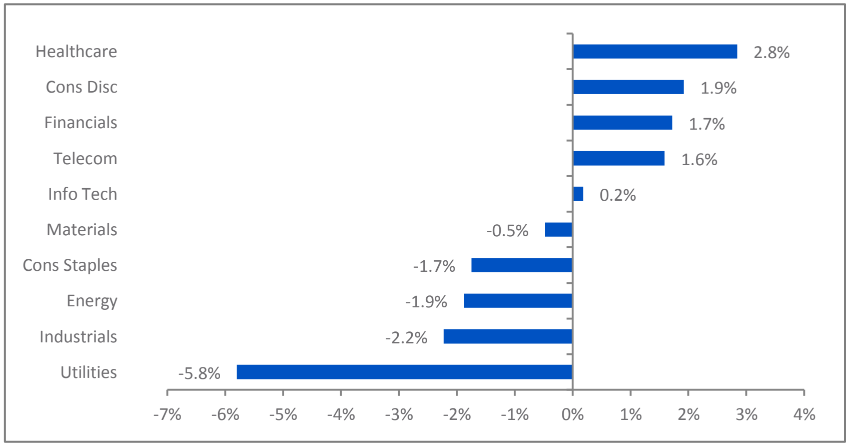
2014



2015 YTD



Q2 2015



Source: Bloomberg, IMG. US Equities represented by the S&P 500 Index. Returns calculated are total returns. ***Past performance is no guarantee of future results.***

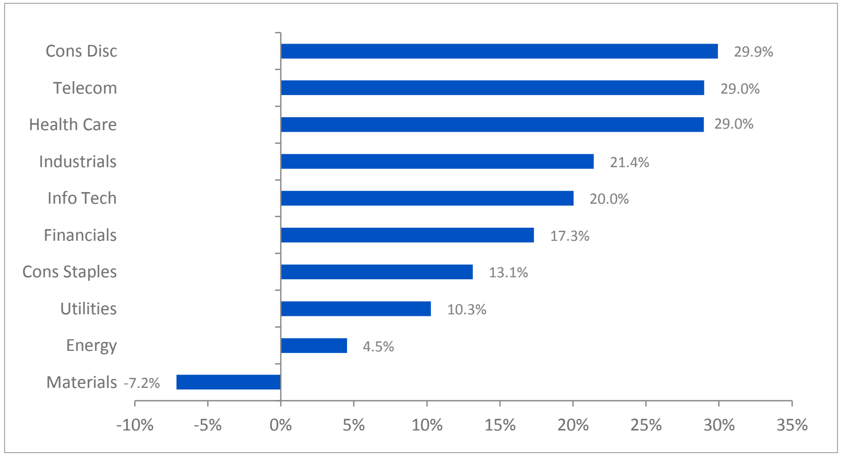
U.S. Equities: Historical Sector Performance

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Utilities 57.2%	Materials 3.5%	Cons Staples -4.3%	Info Tech 47.2%	Energy 31.5%	Energy 31.4%	Telecom 36.8%	Energy 34.4%	Cons Staples -15.4%	Info Tech 61.7%	Cons Disc 27.7%	Utilities 19.9%	Financials 28.8%	Cons Disc 43.1%	Utilities 29.0%
Healthcare 37.1%	Cons Disc 2.8%	Materials -5.5%	Materials 38.2%	Utilities 24.3%	Utilities 16.8%	Energy 24.2%	Materials 22.5%	Healthcare -22.8%	Materials 48.6%	Industrials 26.7%	Cons Staples 14.0%	Cons Disc 23.9%	Healthcare 41.5%	Healthcare 25.3%
Financials 25.7%	Industrials -5.7%	Energy -11.1%	Cons Disc 37.4%	Telecom 19.9%	Financials 6.5%	Utilities 21.0%	Utilities 19.4%	Utilities -29.0%	Cons Disc 41.3%	Materials 22.2%	Healthcare 12.7%	Telecom 18.3%	Industrials 40.7%	Info Tech 20.1%
Cons Staples 16.8%	Cons Staples -6.4%	Financials -14.6%	Industrials 32.2%	Industrials 18.0%	Healthcare 6.5%	Financials 19.2%	Info Tech 16.3%	Telecom -30.5%	Industrials 20.9%	Energy 20.5%	Telecom 6.3%	Healthcare 17.9%	Financials 35.6%	Cons Staples 16.0%
Energy 15.7%	Financials -9.0%	Healthcare -18.8%	Financials 31.0%	Cons Disc 13.2%	Materials 4.4%	Cons Disc 18.6%	Cons Staples 14.2%	Cons Disc -33.5%	Healthcare 19.7%	Telecom 19.0%	Cons Disc 6.1%	Industrials 15.3%	Info Tech 28.4%	Financials 15.2%
Industrials 5.9%	Energy -10.4%	Cons Disc -23.8%	Utilities 26.3%	Materials 13.2%	Cons Staples 3.6%	Materials 18.6%	Industrials 12.0%	Energy -34.9%	Financials 17.2%	Cons Staples 14.1%	Energy 4.7%	Materials 15.0%	Cons Staples 26.1%	Industrials 9.8%
Materials -15.7%	Healthcare -11.9%	Industrials -26.3%	Energy 25.6%	Financials 10.9%	Industrials 2.3%	Cons Staples 14.4%	Telecom 11.9%	Industrials -39.9%	Cons Staples 14.9%	Financials 12.1%	Info Tech 2.4%	Info Tech 14.8%	Materials 25.6%	Cons Disc 9.7%
Cons Disc -20.0%	Telecom -12.2%	Utilities -30.0	Healthcare 15.1%	Cons Staples 8.2%	Info Tech 1.0%	Industrials 13.3%	Healthcare 7.2%	Info Tech -43.1%	Energy 13.8%	Info Tech 10.2%	Industrials -0.6%	Cons Staples 10.8%	Energy 25.1%	Materials 6.9%
Telecom -38.8%	Info Tech -25.9%	Telecom -34.1%	Cons Staples 11.6%	Info Tech 2.6%	Telecom -5.6%	Info Tech 8.4%	Cons Disc -13.2%	Materials -45.7%	Utilities 11.9%	Utilities 5.5%	Materials -9.8%	Energy 4.6%	Utilities 13.2%	Telecom 3.0%
Info Tech -40.9%	Utilities -30.4%	Info Tech -37.4%	Telecom 7.1%	Healthcare 1.7%	Cons Disc -6.4%	Healthcare 7.5%	Financials -18.6%	Financials -55.3%	Telecom 8.9%	Healthcare 2.9%	Financials -17.1%	Utilities 1.3%	Telecom 11.5%	Energy -7.8%

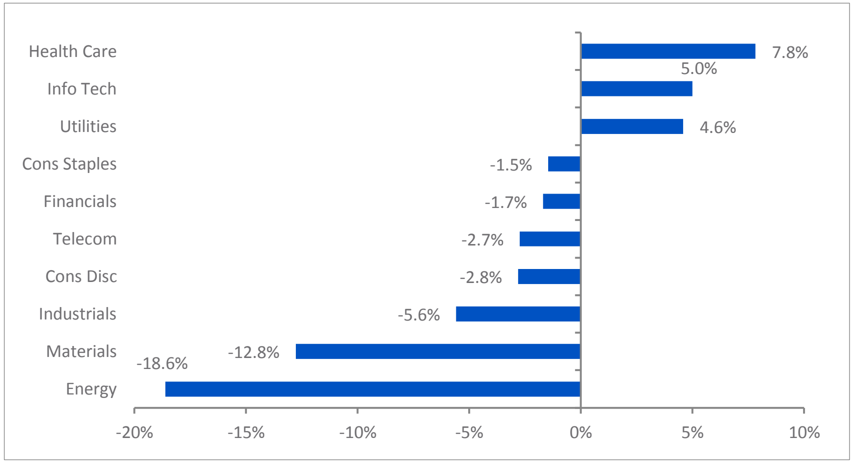
Source: Bloomberg, IMG. US Equities represented by the S&P 500 Index. Returns calculated are total returns. ***Past performance is no guarantee of future results. Results shown are based on an index and are illustrative; they assume reinvestment of income and no transaction costs or taxes. Indexes are unmanaged. Direct investment cannot be made in an index.***

International Equities: Sector Performance (MSCI ACWI ex U.S.)

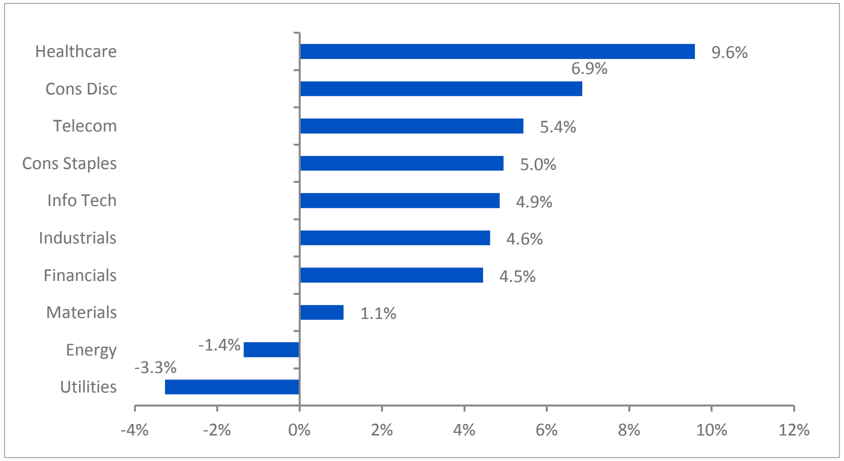
2013



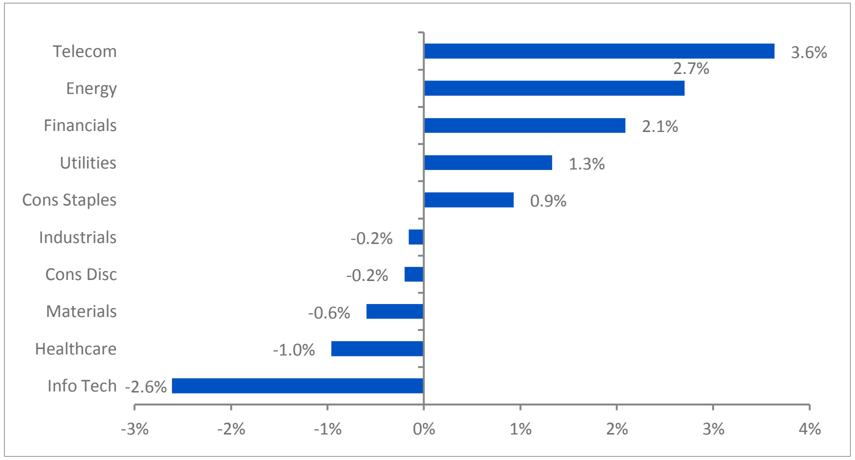
2014



2015 YTD



Q2 2015



Source: Bloomberg, IMG. Global equities represented by MSCI ACWI ex US. Returns calculated are total returns. ***Past performance is no guarantee of future results.***

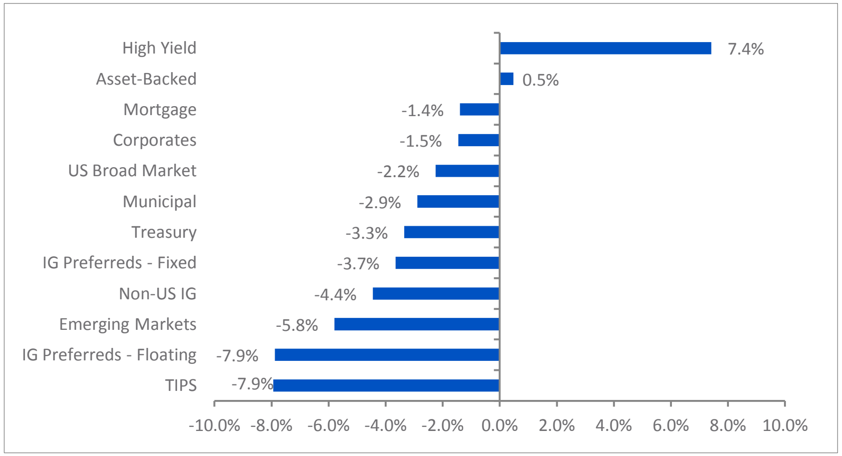
International Equities: Historical Sector Performance

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Healthcare 14.8%	Energy -4.9%	Materials 3.5%	Materials 52.7%	Utilities 32.0%	Energy 31.5%	Utilities 49.5%	Materials 40.9%	Healthcare -18.6%	Materials 76.3%	Cons Disc 22.1%	Healthcare 5.7%	Financials 30.1%	Cons Disc 29.9%	Healthcare 7.8%
Cons Staples 3.8%	Materials -7.5%	Energy 0.8%	Industrials 50.0%	Energy 26.5%	Materials 27.4%	Materials 35.1%	Telecom 41.0%	Utilities -29.7%	Info Tech 51.4%	Industrials 22.0%	Cons Staples 4.1%	Cons Disc 23.2%	Telecom 29.0%	Info Tech 5.0%
Financials -1.5%	Cons Staples -10.0%	Utilities -0.2%	Info Tech 49.5%	Financials 25.8%	Industrials 25.3%	Telecom 33.0%	Energy 32.3%	Cons Staples -31.2%	Energy 51.2%	Materials 21.9%	Telecom -0.9%	Cons Staples 19.5%	Healthcare 29.0%	Utilities 4.6%
Utilities -1.6%	Utilities -12.8%	Cons Staples -0.8%	Financials 48.9%	Industrials 22.9%	Financials 18.3%	Cons Staples 30.2%	Utilities 25.6%	Telecom -35.7%	Financials 48.6%	Cons Staples 16.0%	Energy -7.7%	Healthcare 18.8%	Industrials 21.4%	Cons Staples -1.4%
Energy -4.7%	Healthcare -15.1%	Financials -12.6%	Telecom 40.4%	Materials 20.8%	Info Tech 13.9%	Financials 29.8%	Cons Staples 24.4%	Cons Disc -46.0%	Cons Disc 45.4%	Info Tech 14.7%	Cons Disc -13.5%	Info Tech 18.1%	Info Tech 20.0%	Financials -1.7%
Industrials -11.3%	Cons Disc -17.2%	Healthcare -14.4%	Cons Disc 39.1%	Telecom 20.6%	Healthcare 13.8%	Industrials 26.5%	Industrials 23.7%	Industrials -46.9%	Cons Staples 36.4%	Telecom 10.4%	Industrials -16.3%	Industrials 17.1%	Financials 17.3%	Telecom -2.7%
Materials -16.5%	Financials -21.9%	Cons Disc -14.8%	Utilities 35.4%	Cons Staples 19.3%	Utilities 13.7%	Cons Disc 23.9%	Info Tech 8.3%	Energy -46.9%	Industrials 35.6%	Energy 6.7%	Utilities -16.5%	Materials 10.6%	Cons Staples 13.1%	Cons Disc -2.8%
Cons Disc -23.7%	Industrials -24.0%	Industrials -17.8%	Energy 34.0%	Cons Disc 18.9%	Cons Disc 12.5%	Energy 20.3%	Cons Disc 6.2%	Info Tech -47.9%	Healthcare 19.9%	Financials 4.5%	Info Tech -17.8%	Telecom 5.2%	Utilities 10.3%	Industrials -5.6%
Info Tech -37.6%	Telecom -30.1%	Telecom -21.1%	Healthcare 28.9%	Healthcare 14.0%	Cons Staples 11.4%	Healthcare 17.0%	Financials 3.8%	Materials -52.6%	Telecom 19.4%	Healthcare 3.8%	Financials -19.4%	Utilities 4.7%	Energy 4.5%	Materials -12.8%
Telecom -41.3%	Info Tech -38.9%	Info Tech -22.5%	Cons Staples 24.7%	Info Tech 6.8%	Telecom -5.0%	Info Tech 13.0%	Healthcare 2.6%	Financials -54.0%	Utilities 10.9%	Utilities -1.4%	Materials -23.9%	Energy 2.4%	Materials -7.2%	Energy -18.6%

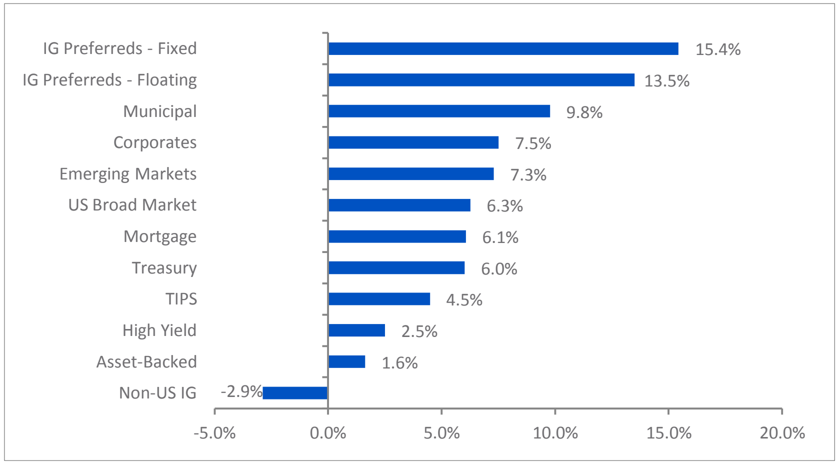
Source: Bloomberg, IMG. Global equities represented by MSCI ACWI ex US. Returns calculated are total returns. ***Past performance is no guarantee of future results. Results shown are based on an index and are illustrative; they assume reinvestment of income and no transaction costs or taxes. Indexes are unmanaged. Direct investment cannot be made in an index.***

Fixed Income Returns

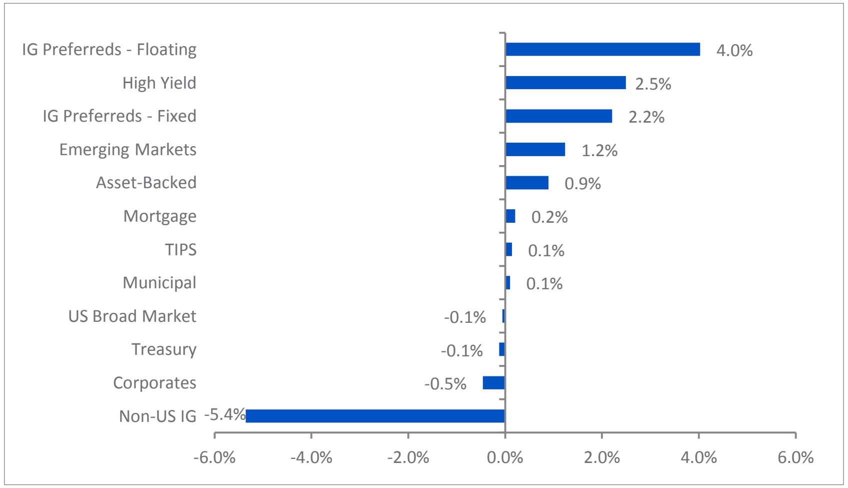
2013



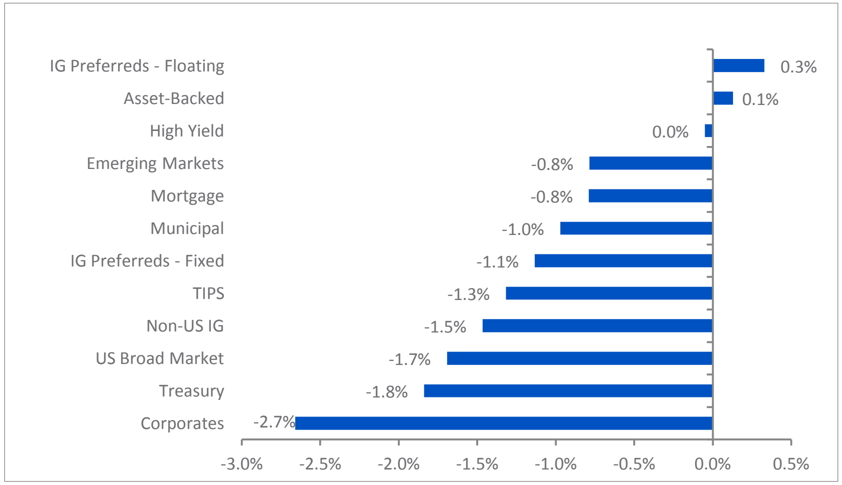
2014



2015 YTD



Q2 2015



Source: Bloomberg, BofAML Global Research, IMG; All indexes represented by BofA Merrill Lynch Global Bond Indexes and calculated using total returns. ***Past performance is no guarantee of future results.***

Glossary

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 excised 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 country's total export of goods, services and transfers; this situation makes a country a net debtor to the rest of the world.

Developed Markets: 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 Markets: 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 good and services at constant dollar prices. The base year changes continuously over time (e.g., 1995, process measures real growth from 1995-1996). 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.

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

US Employees Non-Farm Private Payrolls: A statistic that represents the total number of paid US 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 US Gross Domestic Product.

Index Definitions

Alerian MLP Index is a composite of the 50 most prominent energy master limited partnerships and will be calculated by Standard & Poor's using a float-adjusted, market capitalization-weighted methodology. The total return index is calculated on an end-of-day basis and will be disseminated daily through its ticker symbol, "AMZX" on the New York Stock Exchange.

Barclays Capital US Aggregate Index is a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed rated and hybrid ARM pass throughs), ABS, and CMBS.

Bloomberg Commodity Index is made up of 22 exchange-traded futures on physical commodities, which are weighted to account for economic significance and market liquidity.

Cambridge Associates Private Equity US Total Return: Performance data is calculated quarterly by Cambridge Associates and published by Thomson Reuters Venture Economics' Private Equity Performance Database which tracks the performance of thousands of US and European venture capital and buyout funds formed since 1969. Sources are financial documents and schedules from Limited Partners investors and General Partners. All returns are calculated net to investors (net of fees and carried interest) by Thomson Venture Economics from the underlying financial cash-flows using both cash on cash returns (distributions and capital calls) and the unrealized net asset value of funds as reported by private equity fund managers. The "US" category includes only US funds.

DJ Credit Suisse AllHedge Index is an asset-weighted hedge fund index derived from the market leading Dow Jones Credit Suisse Hedge Fund Index. The Dow Jones Credit Suisse AllHedge Index provides a rules-based measure of an investable portfolio. Index performance data is published monthly and constituents are rebalanced semi-annually according to the sector weights of the Dow Jones Credit Suisse Hedge Fund Index

DJ Credit Suisse AllHedge Convertible Arbitrage Index measures the aggregate performance of convertible arbitrage funds. Convertible arbitrage funds typically aim to profit from the purchase of convertible securities and the subsequent shorting of the corresponding stock when there is a pricing error made in the conversion factor of the security.

DJ Credit Suisse AllHedge Equity Market Neutral Index measures the aggregate performance of equity market neutral funds. Equity market neutral funds typically take both long and short positions in stocks while seeking to reduce exposure to the systematic risk of the market (i.e., a beta of zero is desired).

DJ Credit Suisse AllHedge Event Driven Index measures the aggregate performance of event driven funds. Event driven funds typically invest in various asset classes and seek to profit from potential mispricing of securities related to a specific corporate or market event. Such events can include: mergers, bankruptcies, financial or operational stress, restructurings, asset sales, recapitalizations, spin-offs, litigation, regulatory and legislative changes as well as other types of corporate events.

DJ Credit Suisse AllHedge Emerging Markets Index measures the aggregate performance of emerging markets funds. Emerging markets funds typically invest in currencies, debt instruments, equities and other instruments of countries with "emerging" or developing markets (typically measured by GDP per capita). Such countries are considered to be in a transitional phase between developing and developed status.

DJ Credit Suisse AllHedge Fixed Income Arbitrage Index measures the aggregate performance of fixed income arbitrage funds. Fixed income arbitrage funds typically attempt to generate profits by exploiting inefficiencies and price anomalies between related fixed income securities. Fixed income arbitrage funds seek to limit volatility by hedging out exposure to the market and interest rate risk.

DJ Credit Suisse AllHedge Long Short Equity Index measures the aggregate performance of long/short equity funds. Long/short equity funds typically invest in both long and short sides of equity markets, generally focusing on diversifying or hedging across particular sectors, regions or market capitalizations.

DJ Credit Suisse AllHedge Global Macro Index measures the aggregate performance of global macro funds. Global macro funds typically focus on identifying extreme price valuations and leverage is often applied on the anticipated price movements in equity, currency, interest rate and commodity markets.

Index Definitions

DJ Credit Suisse AllHedge Managed Futures Index measures the aggregate performance of managed futures funds. Managed futures funds (often referred to as CTAs or Commodity Trading Advisors) typically focus on investing in listed bond, equity, commodity futures and currency markets, globally.

Dow Jones Industrial Average (DJIA) measures the performance of 30 leading US blue-chip companies.

DXY Index indicates the general international value of the USD. The Index does this by averaging the exchange rates between the USD and major world currencies.

FTSE NAREIT US Real Estate Index is a performance index based on publicly traded real estate investment trusts (REITs), that span commercial real estate space across the US economy. The index series provides investors with exposure to all investment and property sectors. A REIT is a company that owns, and in most cases, operates income-producing real estate such as apartments, shopping centers, offices, hotels and warehouses. Some REITs also engage in financing real estate. To qualify as a REIT, a company must distribute at least 90 percent of its taxable income to its shareholders annually. A company that qualifies as a REIT is permitted to deduct dividends paid to its shareholders from its corporate taxable income. As a result, most REITs remit at least 100 percent of their taxable income to their shareholders and therefore owe no corporate tax.

FTSE®EPRA®/NAREIT® Global Index is a free float, market capitalization-weighted real estate index designed to represent publicly traded equity REITs and listed property companies globally.

Gold reflects the gold spot price and is quoted in USD per Troy Ounce.

HFRX Global Hedge Fund Index is an asset-weighted index that includes over 55 constituent funds. All funds must be open to new investments, have at least $50 Million under management and have a 24-month track record. The index is rebalanced quarterly. The HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe.

JPMorgan Global FX Volatility Index tracks the implied volatility on three-month options on G7 and emerging market economy currencices, with individual weightings based on Bank of International Settlements (BIS) daily turnover percentages

ML US Broad Market Index tracks the performance of US dollar denominated investment grade Government and Corporate public debt issued in the US Domestic bond market, including collateralized products such as Mortgage Pass-Through and Asset Backed securities.

ML US Corporate Master Index tracks the performance of US dollar-denominated investment grade corporate public debt issued in the US domestic bond market. Qualifying bonds must have at least one year remaining term to maturity, a fixed coupon schedule and a minimum amount outstanding of $150 million. Bonds must be rated investment grade based on a composite of Moody's and S&P.

ML Municipal Masters Index tracks the performance of the investment grade US tax-exempt bond market.

ML Global Sovereign Broad Market Index tracks the performance of local currency denominated debt of investment grade rated Sovereign issuers.

ML Global Emerging Markets Sovereign Index tracks the performance of US dollar denominated debt of sovereign issuers domiciled in countries with a BB or lower foreign currency long-term sovereign debt rating.

ML High Yield Master Index tracks the performance of below investment grade US dollar-denominated corporate bonds publicly issued in the US domestic market. "Yankee" bonds (debt of foreign issuers issued in the US domestic market) are included in the Index provided the issuer is domiciled in a country having an investment grade foreign currency long-term debt rating (based on a composite of Moody's and S&P).

Index Definitions

Appendix

ML Mortgage Master Index tracks the performance of US dollar denominated 30-year, 15-year and balloon pass-through mortgage securities having at least $150 million outstanding per generic production year.

MSCI® World Index is a free float-adjusted market capitalization index that is designed to measure global developed market equity performance. As of July 2009 the MSCI World Index consisted of the following 23 developed market country indexes: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States.

MSCI® EAFE (Europe, Australasia, and Far East) Index comprises 21 MSCI country indexes, representing the developed markets outside of North America.

MSCI® Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of July 2009, the MSCI Emerging Markets Index consisted of the following 25 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

MSCI® Europe non-UK Index is a free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe. As of July 2009, the MSCI Europe Index consisted of the following 15 developed market country indexes: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, and Switzerland.

Muni Yields uses the Moody's Municipal Bond Yield Average AAA 10 Year. Derived from pricing data on unenhanced newly issued general obligation bonds each observation is an unweighted average.

WTI Crude Oil reflects the Bloomberg West Texas Intermediate Crushing Crude Oil Spot Price. The price is derived by adding spot market spreads to the NYMEX contract. Units are in USD per barrel and is traded intraday.

Russell 1000 Growth Index® measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index® measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Index® measures the performance of the 2,000 smallest companies in the Russell 3000 Index.

Russell 2000 Growth Index. The index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values

Russell 2000 Value Index. The index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Silver reflects the silver spot price and is quoted in USD per Troy Ounce.

S&P 500 Index is widely regarded as the best single gauge of the US equities market, this world-renowned index includes a representative sample of 500 leading companies in leading industries of the US economy. Although the S&P 500 focuses on the large-cap segment of the market, with approximately 75% coverage of US equities, it is also an ideal proxy for the total market. An investor cannot invest directly in an index.

S&P 400 Mid Cap Index is representative of 400 stocks in the mid-range sector of the domestic stock market, representing all major industries

Ten-Year Treasury relates the yield on a security to its time to maturity and is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market.

VIX Index is the Chicago Board Options Exchange Standard and Poor's Volatility Index reflects a market estimate of future volatility, based on the weighted average of the implied volatilities for a wide range of strikes.

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. Investors cannot invest directly in indices. 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, 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.

The opinions expressed herein are those of the Merrill Lynch GWM Investment Management & Guidance as of the date of this material and are subject to change. It is provided as general market commentary only, and it does not consider the specific investment objectives, financial situation or particular needs of any one client. It should not be considered a recommendation or solicitation to purchase or sell any security. There is no guarantee that any future event discussed herein will come to pass. When reading this commentary, you should consider that investments in securities involve risk and you could lose some or all of the amounts you have invested. The information herein was obtained from various sources, which we believe to be reliable, but we do not guarantee its accuracy or completeness. The indexes referenced herein are unmanaged and are not available for direct investment; returns assume no management, transaction or other expenses and also assume reinvestment of dividends, interest and/or capital gains. Past performance does not guarantee or indicate future results.

Merrill Lynch assumes no responsibility for any of the foregoing performance information, which has been provided by the index sponsor. 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 investments discussed have varying degrees of risk. Some of the risks involved with equities include the possibility that the value of the stocks may fluctuate in response to events specific to the companies or markets, as well as economic, political or social events in the U.S. or abroad. Bonds are subject to interest rate, inflation and credit risks. Investments in high-yield bonds may be subject to greater market fluctuations and risk of loss of income and principal than securities in higher rated categories. Investments in foreign securities involve special risks, including foreign currency risk and the possibility of substantial volatility due to adverse political, economic or other developments. These risks are magnified for investments made in emerging markets. Investments in a certain industry or sector may pose additional risk due to lack of diversification and sector concentration. Investments in real estate securities can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates, and risk related to renting properties, such as rental defaults. There are special risks associated with an investment in commodities, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes and the impact of adverse political or financial factors.

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