Market Quarterly Client Summary

GWIM Chief Investment Office Reports

Q1 2017

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MARKETS RECAP

Macroeconomic Summary

Improving economy leads to increased rates

- Proprietary BofAML Global Research tracking indicators estimate 1st-quarter growth of 1.0%* SAAR for U.S. gross domestic product (GDP). This is a slight downshift versus 4th-quarter growth of 1.9%. Steady consumption, job growth and elevated confidence have been tailwinds. BofAML Global Research projects 2017 growth of 2.1% and a gradual acceleration to 2.5% in 2018. Meanwhile headline inflation has breached the Federal Reserve's target of 2.0%, according to the Personal Consumption Expenditure price index. This, in concert with other positive economic data, has supported the Federal Reserve's decision to raise its policy rate in March.
- Globally, inflation has continued to recover and is expected to move higher as the output gap narrows. In China, producer prices began to grow in early 2012. In Japan and Europe, inflation has trailed that of the U.S. but has picked up, incrementally. The Bank of Japan maintains its "yield curve control" program, while the European Central Bank continues its accommodative policy package but may explore avenues to temper it in the later portion of the year.

Equities

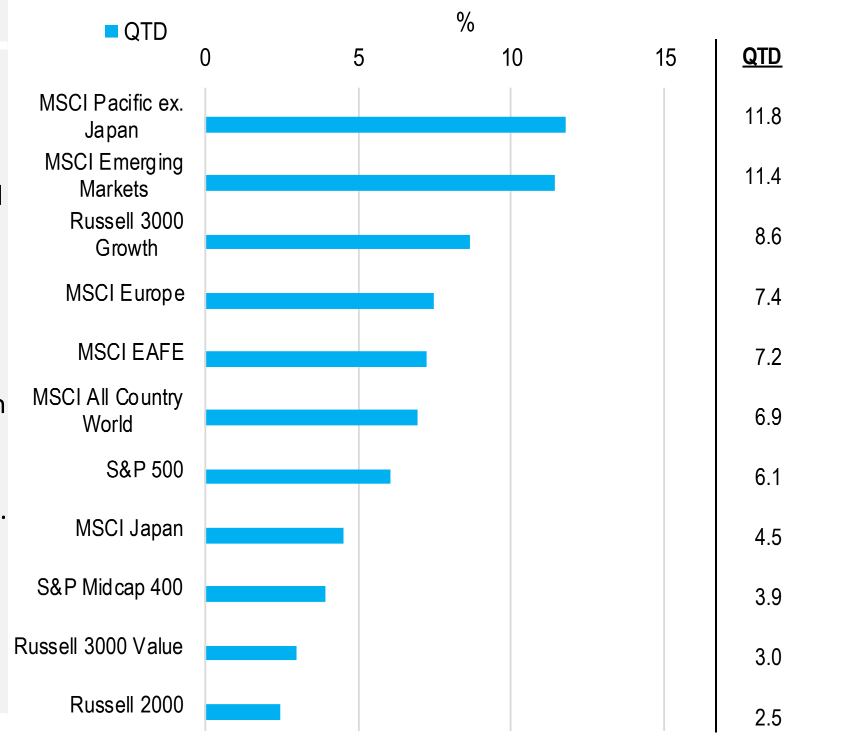
Equities gained in Q1, led by Emerging Markets

- Global equity performance was higher overall for the first quarter, with the MSCI All Country World Index (ACWI) up 6.9%, compared to a fourth-quarter gain of 1.2%.
- In U.S. equity markets, the S&P 500 index was up 6.1%. The reflationary rally was driven by large caps (Russell 1000: 6.0% for the quarter) while growth outperformed value and Information Technology led all sectors.
- Emerging Markets (EM) outperformed international Developed Markets (DMs) with returns of 11.4% versus 5.9%. Within DMs, the Pacific region led, with Hong Kong equities adding 13.0%. The MSCI Europe Index gained 5.3% in the first quarter. Within EMs, Asia rose 8.8%, with South Korea (8.0%) and India (11.7%) driving gains. Meanwhile, the Philippines was the region's worst performer, up 6.6%. In LatAm, Chile (15.4%) continued its solid performance. Mexico rebounded as political risks seemed to ease, adding 15.3%, while Brazil posted a gain of 9.8% for the quarter.

U.S. Macroeconomic Variables*

	Q1'16	Q2'16	Q3'16 F	Q4'16 F	Q1'17 F
Real GDP (% change, QoQ, SAAR)	3.5	2.1	1.5	2.3	2.3
CPI, Consumer Prices (% change, YoY)	1.8	3.0	3.3	0.1	2.3
Unemployment Rate (civilian, %)	4.9	4.7	4.7	4.6	4.6
Industrial Production (% change, QoQ, SAAR)	1.7	0.4	2.0	4.0	2.8

Global Equities – price returns



*Source: BofAML Global Research. Bloomberg. Data as of March 31, 2017. * QoQ = quarter-over-quarter; YoY = year-over-year; SAAR = seasonally adjusted annual rate. Highlighted cells are BofAML Global Research Economic forecasts. All quotes are price return. 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. See Appendix for index definitions.* ***Past performance is no guarantee of future results.***

Fixed Income

Fixed income returns were modest in the first quarter

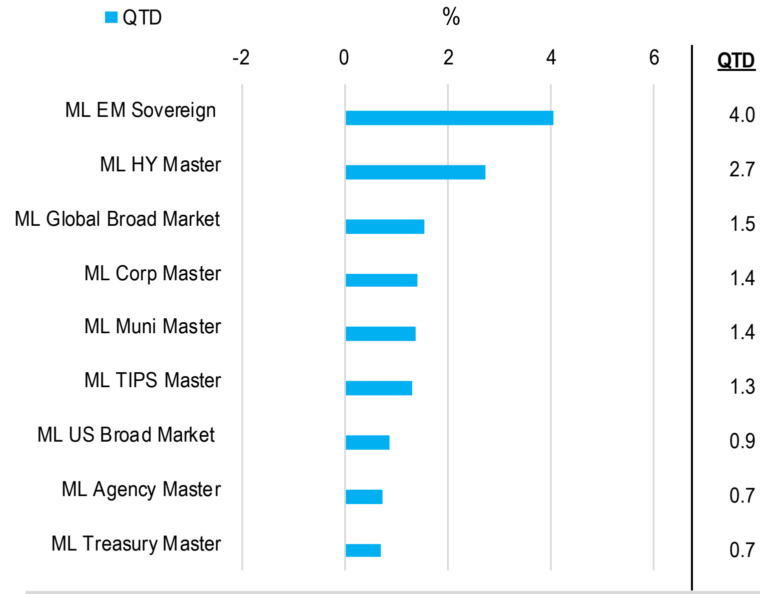
- While the market expectations for inflation may have risen and the Federal Reserve did raise interest rates in March, bond yields appeared range-bound, with the 10-year U.S. Treasury ending the first quarter at 2.39% from a 2016 year-end level of 2.44%. The ML Global Broad Market Index added 1.5%.
- U.S. bonds gained 0.9%. U.S. Treasury notes and bonds, on aggregate, added 0.7%, U.S. Corporates gained 1.4% and U.S. Treasury Inflation-Protected Securities (TIPS) appreciated by 1.3%.
- The municipal bond market added 1.4%. High Yield bonds gained 2.7% in the first quarter, leading domestic fixed income returns year-to-date.
- EM sovereign debt performed well for the quarter, adding 4.0%, while European sovereign fixed income struggled, losing -1.4%.

Alternative Investments

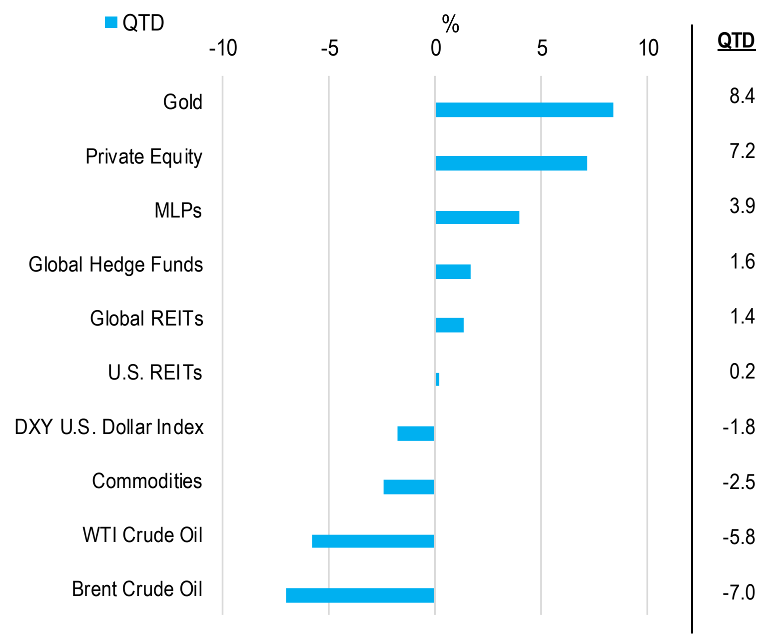
Commodities ceded ground

- Amid a supply gut of crude oil balanced by stronger demand for industrial metals, the Bloomberg Commodity Index settled down 2.5% in the first quarter. WTI crude and Brent crude lost 5.8% and 7.0%, respectively.
- Gold benefited from an increase in inflationary expectations along with pockets of uncertainty, appreciating 8.4% during the quarter. Copper, often used as a measure of industrial production, added 5.9% in the first quarter.
- The DXY dollar index lost 1.8% in the first quarter, after having risen by 3.6% in 2016. The Japanese yen was a large beneficiary through the quarter, adding 5.0%. EM currencies generally advanced against the dollar.
- The HFRX Global Hedge Fund index rose 1.6%, and the LPX50 Private Equity Index gained 7.2%. U.S. Master Limited Partnerships (MLPs) rose 4.0%, while global Real Estate Investment Trusts (REITs) added 1.4%.

Global Fixed Income – price returns



Alternative Investments – price returns



Source: Bloomberg. Data as of March 31, 2017. See Glossary and Appendix for index definitions. All quotes are price return.
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Macroeconomic Outlook

A global synchronized pick-up, in conjunction with more supportive fiscal regimes, provides a solid tailwind for rising profits. This growth counters continued political and geopolitical uncertainty.

- The U.S. is firmly in the beginning of the late-cycle stage, which we expect should last well into 2018. Economic data, from improved confidence to job creation to manufacturing production, support our view. A firming economy and rising wages suggest continued "normalization" in monetary policy, with the Federal Reserve forecast to raise rates at least two more times this year.
- Emerging Markets (EMs), led by Asia, should continue their economic recoveries. Chinese officials look to maintain economic stability amid an important leadership transition later this year. Stable commodity prices should provide economic support for countries dependent on them, such as Latin America and emerging Europe. A continued rebound in global trade would make another tailwind.
    - Risks to our outlook include a shift towards protectionism in the U.S., a sharper than expected upward path for U.S. interest rates, exchange rate instability in China and emerging geopolitical tensions.
- For developed economies, we view Japan as well-positioned to benefit from the global cyclical pickup. European economic growth looks to be tested by significant elections in France and Germany this year.

Equity Outlook

We maintain a more cyclical and value-oriented approach and are overweight global equities versus global fixed income.

- Our overweight of U.S. equities is based on an improving profit cycle. Large cap companies may benefit from the synchronized global economic pickup, while small caps would benefit from domestic improvement coupled with the prospects of deregulation and tax reform. We favor value over growth as well as cyclical sectors, such as Information Technology and Financials.
- Rather than expanding multiples, performance is likely to be driven more by earnings growth. We expect 2017 S&P 500 profits of $129-$138 per share.
- Equities have rallied robustly since November, raising the prospect for shorter-term volatility on political uncertainty.

We are overweight EMs and slightly overweight International Developed Markets.

- Our overweight on EMs is based on a pick up in nominal, cyclical growth, which comes amid attractive relative valuations versus Developed Markets. We still view markets such as India, that are less commodity-dependent and more focused on reforms, as best positioned. Structurally, a growing consumer class benefits EMs. We note a myriad of risks for the asset class in our macroeconomic outlook.
- For International Developed Markets, we prefer Japan over Europe, as it would better benefit from an increasingly pro-cyclical environment, along with supportive fiscal and monetary policies. We remain cautious on Europe on a relative basis, given major elections taking place in Germany, France and potentially Italy.

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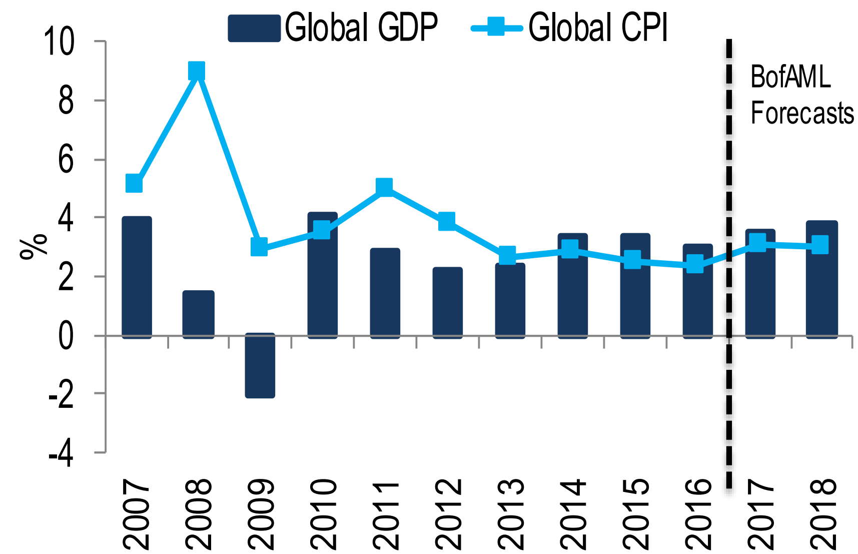
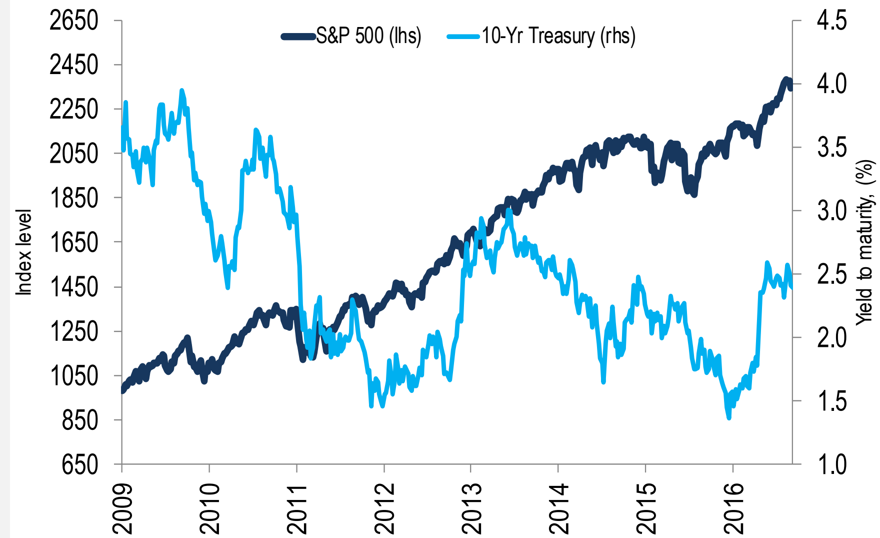
Global growth and inflation are both likely to inch higher



We expect stocks to continue to outperform bonds



Source: BofAML Global Economics Research, Bloomberg and GWIM Chief Investment Office. Data as of March 31, 2017. 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.

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CIO OUTLOOK

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Fixed Income Outlook

We remain underweight fixed income, but emphasize that the asset class provides portfolio diversification, income and stability. We find opportunities selectively in credit.**

- We prefer that investors maintain a slightly short duration in strategies appropriate for their risk tolerance, and caution against over-allocating to long-duration assets given unfavorable risk-reward trade-offs.
- We prefer credit over Treasuries, with an emphasis on investment-grade corporate bonds. While we also favor municipals over the intermediate-to-long term, we are cautious over the near term until discussions on tax reform bring greater clarity as to the eventual treatment of tax-exempt municipals. Given the potential for an upward move of the U.S. dollar and unattractive yields, we are generally avoiding non-dollar sovereign bonds.

Stick with active management with High Yield

- Rich valuations, amid soft fundamentals, lead us to be cautious on High Yield. We prefer active management, tilted towards the higher end of the quality spectrum, versus allocations to index-based solutions.

Alternative Investment Outlook

Neutral Commodities

- Commodity markets are likely to remain range-bound in the near-term, weighed down by increased supply capacity in oil markets and continued global economic policy uncertainty but held up by gradual growth in demand from an increase in global cyclical momentum. We believe oil prices will remain in our forecasted range of $50-$70 per barrel this year with a drift higher on a pickup in demand.

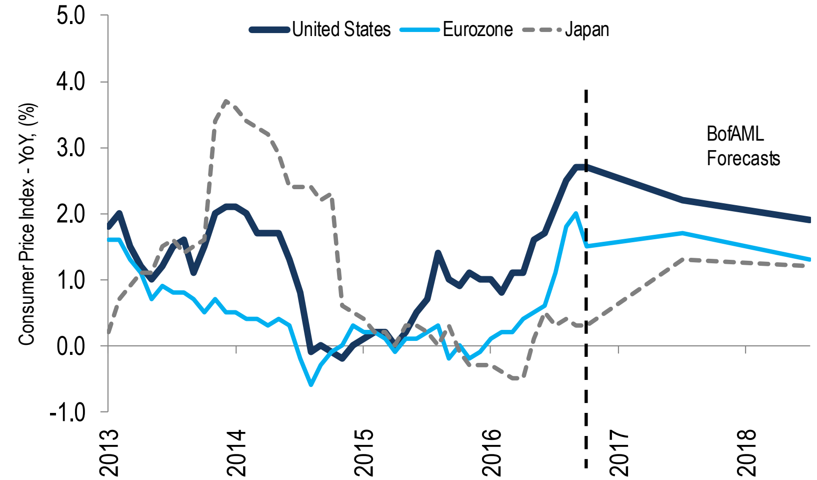
U.S. dollar more stable with potential upside risk

- Still wide interest rate differentials between the Federal Reserve and other global central banks stand to benefit the U.S. dollar. Yet, we believe a potential shift towards less accommodative policy from the European Central Bank and the Bank of England, along with a diminished likelihood of tighter-than-expected Fed policy, suggests we've reached the peak of monetary policy divergence.

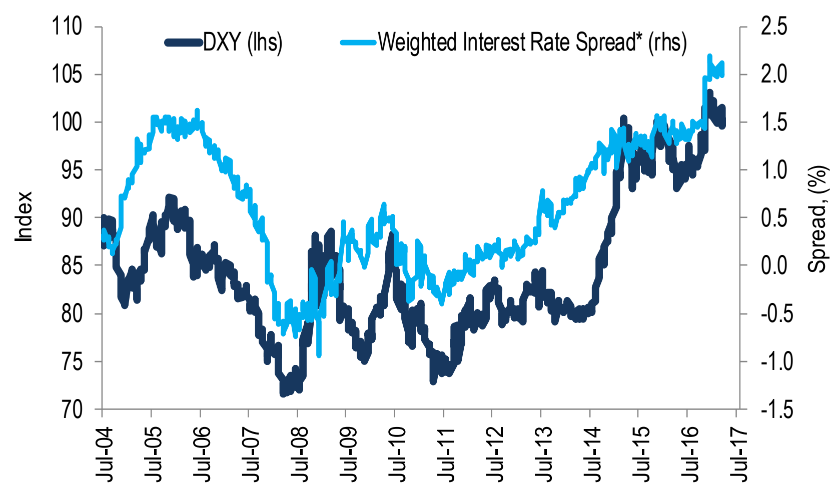
Neutral on hedge funds, private equity and real estate as an asset class

- We currently emphasize hedge fund strategies that have low-to-moderate levels of market exposure, as well as those whose managers can generate a large portion of their returns from asset selection and/or market timing.
- For private equity, we see potential opportunities in private credit and special situations.
- For real estate, we prefer opportunistic and value sectors.

Low inflation should support fixed income globally



Relatively high Treasury yields have helped push the dollar higher



*Source: Bloomberg, BofAML Global Research (Top), Bloomberg (Bottom). Data as of March 31, 2017. *Weighted interest rate spread calculated as U.S. 5-Yr Treasury yield minus weighted five-year government bond yields of Europe, Japan, U.K., Canada, Sweden and Switzerland. Respective weights are same as those in the DXY Index. 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. ** Diversification does not ensure a profit or protect against loss in declining markets.* ***Past performance is no guarantee of future results.***

MACRO SUMMARY

Growth

Higher U.S. growth in the first quarter continues strong second half of 2016. Chinese growth remains strong while Japanese gains are encouraging.

- Survey data has continued to surprise on the upside, indicating high levels of consumer and business confidence. However, hard data has been more in-line with expectations, indicating a slight divergence in hope versus actual spending. BofAML Global Research expects first-quarter U.S. gross domestic product growth of 1.5% quarter-over-quarter at a seasonally adjusted annual rate (SAAR).
- As the U.K. and Eurozone meander through the uncertainty of Brexit along with structural headwinds, uncertainty remains high and growth prospects continue to be limited. BofAML Global Research expects Q1 quarter-over-quarter growth of 1.4% and 1.2% for the Eurozone and U.K., respectively. In China, the government has seemingly stabilized many challenges and continues to maintain solid growth.

Inflation

Inflation has picked up.

- As oil and food prices have contributed, headline inflation figures have broadly increased across the globe. Meanwhile, core measures of inflation that exclude food and energy have been boosted by green shoots of wage growth.

Policy

The Fed has tightened. The path for higher rates is taking shape.

- As inflationary pressures have mounted and growth has firmed, the Fed raised rates in March and has signaled a base case of two additional hikes in 2017. This comes against a continued backdrop of accommodative monetary policy from the Bank of England (BoE), the European Central Bank (ECB) and the Bank of Japan (BoJ). However, the ECB has indicated that it may have reached the limits of its level of accommodation and may examine options to scale back later in the year.

Risks

Global volatility expected to persist on increase in political risk & policy uncertainty.

- While certain elements of risk have subsided, new sources have emerged. The fiscal reform potential of the U.S. administration has been challenged and the triggering of Article 50 ushers in tense negotiations related to Brexit. North Korea has injected an additional geopolitical concern. These issues should promote general investor uneasiness, leading to continued bouts of episodic volatility.

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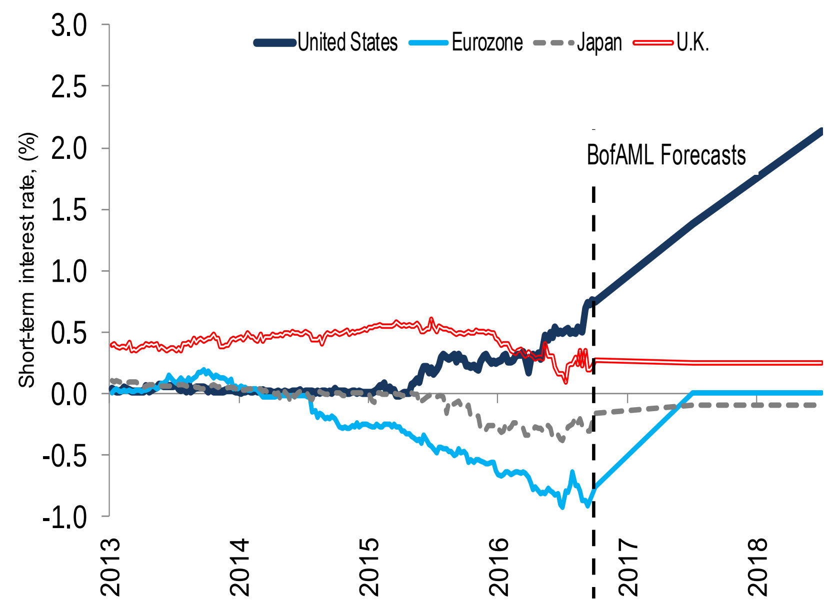
"Lower for longer": U.S. alone in forecasted policy rate increases



BofAML Global Research Key Economic Forecasts

	Annual GDP Forecasts (%)		Annual CPI Forecasts (%)	
	2017 E	*2018 E*	*2017 E*	*2018 E*
Global	3.5	3.8	3.1	3.0
U.S.	2.1	2.5	2.2	1.9
Global ex-US	3.8	4.1	3.3	3.2
Euro area	1.5	1.5	1.7	1.3
Japan	1.5	1.2	1.3	1.2
EM	4.6	5.1	3.9	3.9
China	6.6	6.6	2.3	2.2

Source: BofAML Global Research, World Bank. Data as of March 31, 2017. 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.***

U.S. Equities

Projected fiscal stimulus and pro-growth policy beneficiaries rising.

- In U.S. equity markets, the S&P 500 was up 6.1% in the first quarter, driven mainly by increased optimism among businesses and investors about improved business conditions, deregulation and tax reform under the new administration. Healthcare and Information Technology have been the best performers in the first quarter while Energy and Telecom have struggled year to date.
- Large-cap and growth-oriented stocks have outperformed small-cap and value-oriented stocks in the first quarter of 2017, as policy uncertainty prevails.

International Developed

Europe outperformed Japan

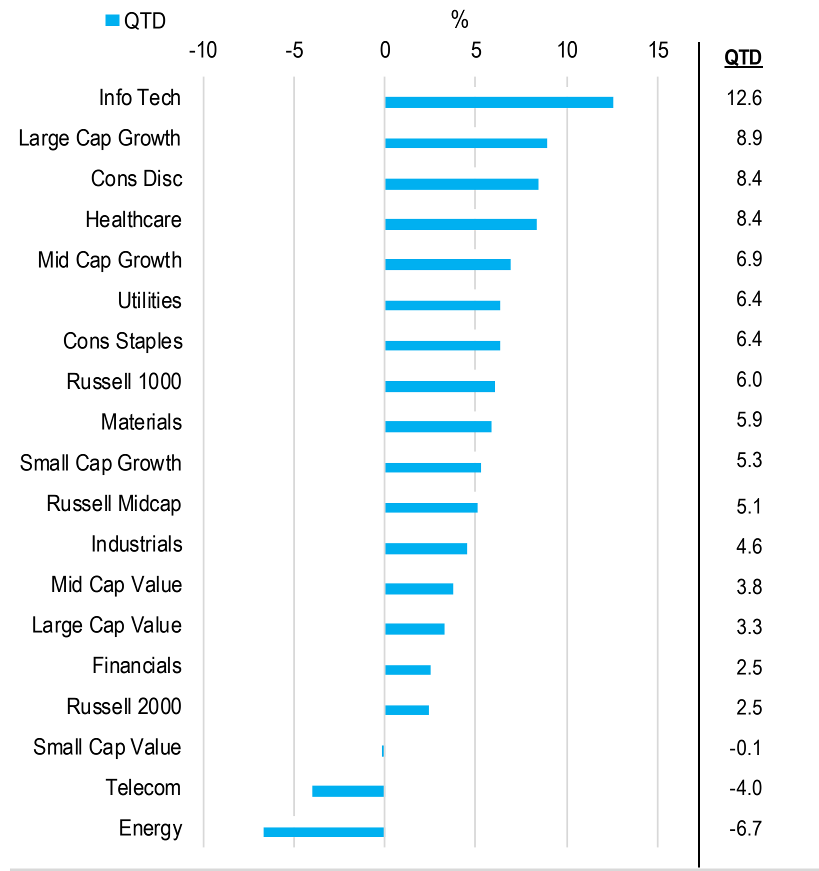
- European equities rose 7.4% in first quarter, with the Netherlands and Spain contributing gains of 11.3% and 14.8% respectively.
- Japanese equities rose 4.5% for the quarter. The yen gained 5.0% versus the U.S. dollar in the first-quarter, continuing to gain strength after a volatile 2016.

Emerging Markets

Emerging Markets had a great first quarter

- EM rose 11.4% during the first quarter, buoyed by MSCI China gaining 12.9% and MSCI India increasing 11.7%. EM continues its strong performance from last year as emerging market economies have begun to see stronger growth and more political stability.
- The MSCI EM Latin America index saw huge gains in the first quarter, rising 11.4%. Mexico led, gaining 15.3% while Peru gained a modest 5.5% as the worst performer. MSCI EMEA rose 2.1% for the quarter, though Russia saw a 4.6% loss.

Key U.S. Equity Index Performance



BofAML Global Research Key Equity Forecasts

Equity Index Level		
	March 31, 2017	*2017 Year-end Estimate*
S&P 500	2363	2450
Nikkei 225	18909	21000
Shanghai Composite	3223	2600
Hang Seng (HSCEI)	10274	9000

Source: BofAML Global Research. Bloomberg. Data as of March 31, 2017. Sectors represented by S&P 500 GICS sector total return indexes. 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. See Appendix for index definitions.
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U.S. Treasuries

Rising rates finally led to an increase in duration

- U.S. Treasuries as measured by the ML U.S. Treasury Index rose 0.7%. After rising in the last quarter of 2016, Treasury yields have maintained steady. The 15+ year U.S. Treasury index rose 1.4%, while the 7-10-year maturities rose a modest 0.9% in the quarter. TIPS rose 1.3% for the quarter.

U.S. Corporates

High Yield continued to lead U.S. fixed income so far in 2017

- High Yield bonds outperformed in the first quarter relative to other fixed income sectors. The ML U.S. High Yield index rose 2.7% and U.S. Investment Grade index followed, rising 1.5%.
- The broader U.S. corporate index rose 1.4%.

Municipals

Municipals have also seen positive returns

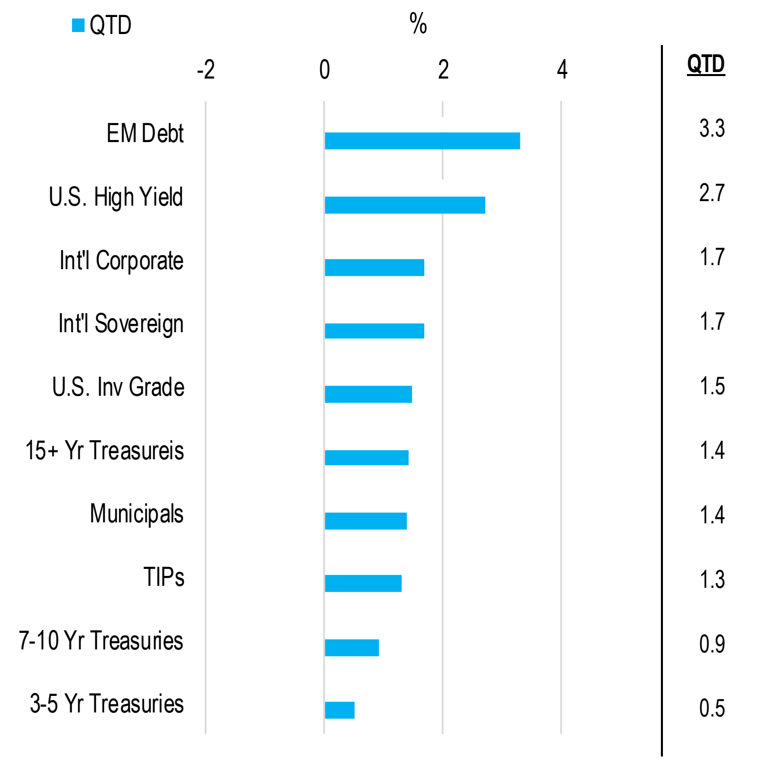
- The municipal bond market rose 1.4% in the first quarter. Valuations relative to U.S. Treasuries remain attractive, but there remains uncertainty with regards to discussions surrounding tax reform.

International

International bonds were strong performers in the first quarter of 2017

- EM dollar-denominated debt led fixed income in the first quarter, rising 3.3%. International sovereign and international corporate bonds both had positive returns of 1.7%.

Key Fixed Income Index Returns



BofAML Global Research Key Fixed Income Forecasts

Short-Term Policy Interest Rate (%)		
	Current	*2017 Year-end Estimate*
U.S.	0.88	1.38
Euro Area	0.00	0.00
Japan	-0.10	-0.10
Global	3.43	3.52

Source: BofAML Global Research, Bloomberg. Data as of March 31, 2017. 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. See Appendix for index definitions. ***Past performance is no guarantee of future results.***

Commodities and real assets

Commodities were mixed; precious metals led the charge while oil and gas lagged.

- Commodities fell across the board in the first quarter by 2.5% .
- Within oil markets, WTI and Brent crude fell 5.8% and 7.0%, respectively in Q1.
- Precious metals led the charge in the first quarter and returned 9.8%. Investor uncertainty both economically and politically has driven a rally in precious metals.

Master Limited Partnerships and REITs saw positive gains in the first quarter.

- U.S. MLPs rose 4.0% in Q1, demonstrating encouraging performance despite energy falling behind. Global Real Estate Investment Trusts rose 1.4% and U.S. REITs rose 0.2%, maintaining stable in the first quarter after sliding downwards in the second half of 2016.

Currencies

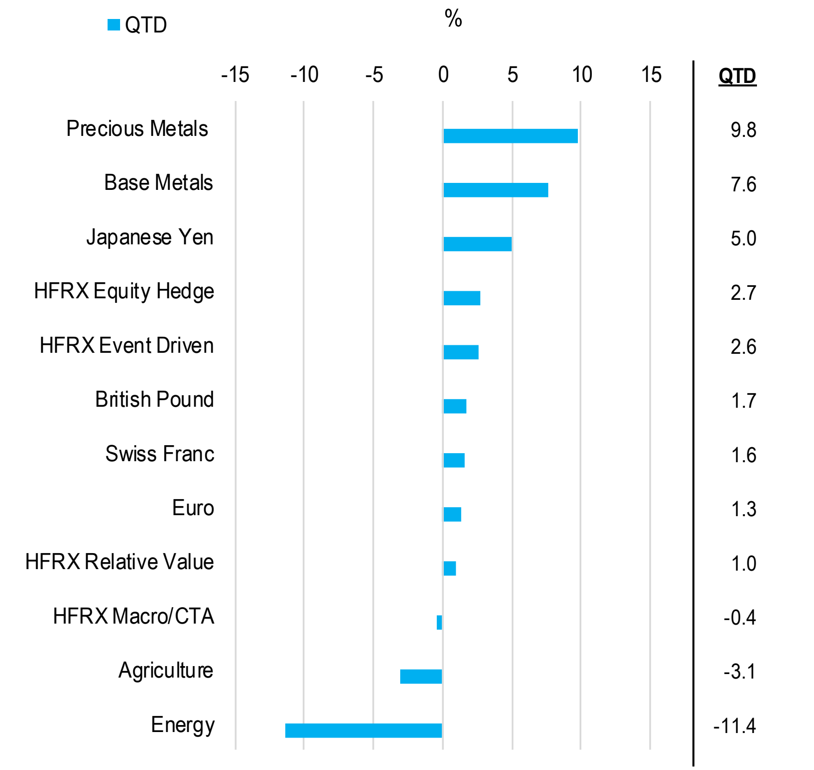
- The DXY dollar index fell 1.8% in the first quarter as policy uncertainty in the U.S. has continued to trend upwards. With chances of healthcare reform falling short, investors are beginning to question the effectiveness of the administration in getting things done, such as fiscal stimulus and tax reform.
- The Japanese yen and Australian dollar were the best-performing currencies in the developed world, rising 5.0% and 5.8% respectively. In the developing world, the Mexican peso was the best performing currency in the first quarter up 10.7%, while the Turkish lira gave up 3.1%, making it the worst-performing currency.

Hedge Funds

Hedge fund performance was mixed across different strategies.

- The HFRX Macro strategies Index fell 0.4% for the quarter while Equity Hedge strategies were the best-performing segment for the first quarter, increasing 2.7%, followed by event-driven strategies closely behind, advancing 2.6%.

Key Alternative Investment Index Returns



BofAML Global Research Key Currency & Commodity Forecasts

	Price Target	
	March 31, 2017	*2017 Year-end Estimate **2017 period average
EUR/USD*	1.07	1.05
USD/JPY*	111.00	117.00
USD/CNY*	6.88	7.05
Brent Crude($/bbl)**	52.83	61.00
WTI Crude ($/bbl)**	50.60	59.00
Gold ($/oz)**	1249.00	1286.00
Copper ($/t)**	5938.00	5675.00

Source: Bloomberg. BofAML Global Research. Commodity subsectors represented by Bloomberg Commodity Index. Data as of March31, 2017. 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. See Appendix for index definitions.
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Appendix

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Glossary

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APPENDIX

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

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

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

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

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

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

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

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

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

Index Definitions

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APPENDIX

Alerian MLP Index is a composite of the 50 most prominent energy master limited partnerships and is 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 is disseminated daily through its ticker symbol, AMZX, on the New York Stock Exchange.

Barclays Capital U.S. Aggregate Index is a broad-based benchmark that measures the Investment Grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed rate 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 U.S. 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 U.S. 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 "U.S." category includes only U.S. funds.

Cash/Near Cash is used **f**or the U.S. Treasury Bill index, data from The Wall Street Journal are used for 1977-Present; the CRSP U.S. Government Bond File is the source from 1926 to 1976. Each month a one-bill portfolio containing the shortest-term bill having not less than one month to maturity is constructed. (The bill's original term to maturity is not relevant.)

Developed Europe ex-UK is the MSCI Europe ex UK Index that captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe. The index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.

Developed Asia Pacific ex-Japan is the MSCI AC Asia ex Japan Index that captures large and mid cap representation across 2 Developed Markets countries (Hong Kong and Singapore) and 8 Emerging Markets countries (China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand) in Asia. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

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 systemic 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, and other types of corporate events.

Index Definitions (continued)

DJ Credit Suisse AllHedge Emerging Markets Index measures the aggregate performance of Emerging Market funds. Emerging Market 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.

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 U.S. blue-chip companies.

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

Emerging Markets is the MSCI Emerging Markets (EM) Index, which captures large and mid cap representation across 23 Emerging Markets countries and targets coverage of approximately 85% of the free float adjusted market capitalization in each country.

FTSE NAREIT U.S. Real Estate Index is a performance index based on publicly traded real estate investment trusts (REITs) that span commercial real estate space across the U.S. 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% 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% 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 U.S. dollars per Troy Ounce.

Global Governments (i) The BofA Merrill Lynch Global Government Index tracks the performance of publicly issued investment grade sovereign debt denominated in the issuer's own domestic currency. (ii) The BofA Merrill Lynch Global Large Cap Quasi-Government Index tracks the performance of large capitalization investment grade quasi-government debt publicly issued in the major domestic and eurobond markets, including agency, foreign government, local government, supranational and government guaranteed securities. Qualifying securities must have an investment grade rating (based on an average of Moody’s, S&P and Fitch).

Global Corporates is the BofA Merrill Lynch Global Corporate Index that tracks the performance of investment grade corporate debt publicly issued in the major domestic and eurobond markets. Qualifying securities must have an investment grade rating (based on an average of Moody’s, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date and a fixed coupon schedule.

Index Definitions (continued)

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Global Mortgages is the BofA Merrill Lynch Global Collateralized Index, which tracks the performance of investment grade securitized and collateralized debt, including mortgage backed, asset backed, commercial mortgage backed, covered bond, and US mortgage pass-through securities publicly issued in the major domestic and eurobond markets. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch).

Global HY / EM (i) The BofA Merrill Lynch Global High Yield Country External Corporate & Government Index tracks the performance of USD and EUR denominated emerging market debt, including sovereign, quasi-government and corporate securities. (ii) The BofA Merrill Lynch Global High Yield Index tracks the performance of USD, CAD, GBP and EUR denominated below investment grade corporate debt publicly issued in the major domestic or eurobond markets

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 index is designed to be representative of the overall composition of the hedge fund universe.

Hedge Funds is the HFRI Fund Weighted Composite Index which is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of $50 Million under management or a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.

International Fixed Income is the BofA Merrill Lynch Global Broad Market Excluding US Dollar Index, which tracks the performance of investment grade debt publicly issued in the major domestic and eurobond markets, including sovereign, quasi-government, corporate, securitized and collateralized securities, excluding all securities denominated in US dollars.

International Equity is the MSCI World ex USA Index, which captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries -- excluding the United States. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

Inflation is the Consumer Price Index for All Urban Consumers, or CPI-U, used by IA SBBI to measure inflation, which is the rate of change of consumer goods prices. All inflation measures are constructed by the U.S. Department of Labor, Bureau of Labor Statistics, Washington.

Japan is the MSCI Japan Index designed to measure the performance of the large and mid cap segments of the Japanese market. The index covers approximately 85% of the free float-adjusted market capitalization in Japan.

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

BofAML U.S. Broad Market Index tracks the performance of U.S. dollar-denominated Investment Grade government and corporate public debt issued in the U.S. domestic bond market, including collateralized products such as mortgage pass-through and asset-backed securities.

BofAML U.S. Corporate Master Index tracks the performance of U.S. dollar-denominated Investment Grade corporate public debt issued in the U.S. 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.

U.S. Corporate Master is the BofA Merrill Lynch US Corporate Index, which tracks the performance of US dollar denominated investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million.

Index Definitions (continued)

Merrill Lynch
Bank of America Corporation

APPENDIX

BofAML Municipal Masters Index tracks the performance of the Investment Grade U.S. tax-exempt bond market.

BofAML Global Sovereign Broad Market Index tracks the performance of local currency-denominated debt of Investment Grade-rated sovereign issuers.

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

BofAML High Yield Master Index tracks the performance of below Investment Grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market. "Yankee" bonds (debt of foreign issuers issued in the U.S. 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).

USD High Yield / Not Rated is the BofA Merrill Lynch US Cash Pay High Yield Index, which tracks the performance of US dollar denominated below investment grade corporate debt, currently in a coupon paying period, that is publicly issued in the US domestic market.

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

U.S. Mortgage Backed is the BofA Merrill Lynch US Mortgage Backed Securities Index, which tracks the performance of US dollar denominated fixed rate and hybrid residential mortgage pass-through securities publicly issued by US agencies in the US domestic market. 30-year, 20-year, 15-year and interest-only fixed rate mortgage pools are included in the Index provided they have at least one year remaining term to final maturity and a minimum amount outstanding of at least $5 billion per generic coupon and $250 million per production year within each generic coupon.

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 index consisted of 23 Developed Market country indices: 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 indices, representing the Developed Markets outside of North America.

MSCI® Emerging Markets Index is a free float-adjusted market capitalization index designed to measure equity market performance in the global Emerging Markets. As of July 2009, the index consisted of 25 Emerging Market country indices: 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-U.K. Index is a free float-adjusted market capitalization index designed to measure Developed Market equity performance in Europe. As of July 2009, the index consisted of 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.

North America is the MSCI North America Index designed to measure the performance of the large and mid cap segments of the US and Canada markets. The index covers approximately 85% of the free float-adjusted market capitalization in the US and Canada.

Private Equity is the Merrill Lynch Small Cap Research Private Equity/Micro Cap Index which is a customized proprietary market capitalization weighted index provided by Bank of America Merrill Lynch Global Research with security market capitalization ranging from $101 Million to $779 Million.

Index Definitions (continued)

Merrill Lynch
Bank of America Corporation

APPENDIX

Real Assets (i) The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for commodities as an asset class. The index is composed of futures contracts on 22 physical commodities. (ii) Produced quarterly, the NCREIF Property Index (NPI) shows real estate performance returns using data submitted by its Data Contributing Members. The NPI is used as an industry benchmark to compare an investor's own returns against the industry average. (iii) The NCREIF Transaction-Based Index (TBI) is an index based on properties that were in the NCREIF Property Index and were sold that quarter. The index does not replace the NPI. It is a complementary index to the appraisal-based NPI. A transaction-based index is often considered to be more comparable to stock and bond indexes that are transaction-based.

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

Silver reflects the silver spot price and is quoted in U.S. dollars per Troy Ounce.

S&P 500 Index, widely regarded as the best single gauge of the U.S. equities market, includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although the index focuses on the large-cap segment of the market, with approximately 75% coverage of U.S. 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.

UK is the MSCI United Kingdom Index designed to measure the performance of the large and mid cap segments of the UK market. The index covers approximately 85% of the free float-adjusted market capitalization in the UK.

US Large Cap Growth is the Russell 1000 Growth Total Return which measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

US Large Cap Value is the Russell 1000 Value Total Return which measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.

US Small Cap Growth is the Russell 2000 Growth Total Return which measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

US Small Cap Value is the Russell 2000 Value Total Return which measures the performance of the broad value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower expected growth values.

U.S. Government & Quasi Government is the BofA Merrill Lynch US Treasury & Agency Index, which tracks the performance of US dollar denominated US Treasury and non-subordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of $1 billion for sovereigns and $250 million for agencies.

U.S. Mortgage Backed is the BofA Merrill Lynch US Mortgage Backed Securities Index, which tracks the performance of US dollar denominated fixed rate and hybrid residential mortgage pass-through securities publicly issued by US agencies in the US domestic market. 30-year, 20-year, 15-year and interest-only fixed rate mortgage pools are included in the Index provided they have at least one year remaining term to final maturity and a minimum amount outstanding of at least $5 billion per generic coupon and $250 million per production year within each generic coupon.

VIX Index, 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.

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 U.S. dollars per barrel and is traded intraday.

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 GWIM Chief Investment Office 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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