

Key takeaways from Sonda's 2018 Investor Day

Maintain Rating: UNDERPERFORM | PO: 890.00 CLP | Price: 1,090.00 CLP

Equity | 12 December 2018

Sonda to invest \$360mn in 2019-21

Sonda announced today its strategic plan for 2019-21 that includes investments of \$360mn in capex (BofAMLe \$171mn). According to management, 53% of Sonda's investment plan will be funded with its own resources while the remaining 47% will be financed through debt. Sonda plans to invest \$195mn in 2019, \$85mn in 2020 and \$80mn in 2021. While Sonda's 2019-2021 growth should be mostly organic, management did not rule out potential M&A to enhance its operating capabilities in the region.

Revenue to grow 11% per year in LC

Management projects local currency (LC) revenue growth of 11%/year between 2018-21 (BofAMLe 6%). On a regional basis, Chile is expected to grow by 7%/year (in-line with BofAMLe) driven by Sonda's focus in core industries and a relatively strong economic environment. In Brazil/Mexico, growth should be close to 12%/17% per year (BofAMLe 9%/2%) as the restructuring process in these countries is finalized. For OPLA, management expects revenue CAGR of 15% (BofAMLe 6%).

EBITDA mg should be 16% by 2021, up 500bps from YE18

Sonda's management projects EBITDA margin to expand to 16% by 2021 vs 11% in 2018. Margin expansion should be driven by an expected operating improvement in Brazil, Mexico & OPLA, and an enhanced revenue mix across regions. Margins in Brazil/Mexico are expected to increase to 18%/15% in 2021 (BofAMLe 14%/15%) from 6%/7% in 2018

2019-21 investment plan focused on organic growth

Sonda's three-year investment plan is focused on leveraging its current capabilities, investing in the development of new offerings and increasing regional integration. Sonda plans to invest \$155mn in the development and adoption of new business solutions, \$110mn in tier IV datacenters in Chile and Colombia, and \$95mn in integration projects. Sonda will only pursue M&A if it enhances its capabilities and if it helps to accelerate growth in Colombia, Mexico, and/or Peru.

Maintain Underperform on still weak FCF generation

We rate Sonda an Underperform as FCF generation should remain under pressure due to a softer economic recovery in Latin America; intensifying competition in the IT services industry, higher capex commitments; and the ongoing restructuring of its operations in Brazil and Mexico. This should delay the expansion of Sonda's operating cash flow (OpCF) margin from 9% in 2017 to its historical average of 12%. So, we estimate Sonda should trade at a wider valuation discount to its historical EBITDA multiple of 11x. Under Sonda's strategic plan OpCF margin for 2019-21E of 6% is significantly lower than that of 23% for global peers.

>> Employed by a non-US affiliate of MLPF&S and is not registered/qualified as a research analyst under the FINRA rules.

Refer to "Other Important Disclosures" for information on certain BofA Merrill Lynch entities that take responsibility for this report in particular jurisdictions.

BofA Merrill Lynch does and seeks to do business with issuers covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

Refer to important disclosures on page 3 to 5. Analyst Certification on page 2. Price Objective Basis/Risk on page 2.

11944909

Timestamp: 12 December 2018 12:06PM EST

Rodrigo Villanueva, CFA >>
 Research Analyst
 Merrill Lynch (Mexico)
 +52 55 5201 3286
 rodrigo.villanueva@baml.com

Mauricio Fernandes >>
 Research Analyst
 Merrill Lynch (Brazil)
 +55 11 2188 4236
 mauricio.fernandes@baml.com

Stock Data

| | |
|---------------------------------|---------------------------|
| Price | 1,090.00 CLP |
| Price Objective | 890.00 CLP |
| Date Established | 13-Jul-2018 |
| Investment Opinion | B-3-8 |
| 52-Week Range | 871.00 CLP - 1,298.90 CLP |
| Mrkt Val (mn) / Shares Out (mn) | 949,452 CLP / 871.1 |
| Average Daily Value (mn) | 895.31 CLP |
| BofAML Ticker / Ex change | XSODF / SGO |
| Bloomberg / Reuters | SONDA CI / SON.SN |
| ROE (2018E) | 3.5% |
| Net Dbt to Eqty (Dec-2017A) | -8.4% |

Price objective basis & risk

Sonda S.A. (XSODF)

We arrive at our Sonda 12-month price objective of P\$890/share based on a DCF model. We assume a WACC of 10.2% (10.5% cost of equity, 7.9% after-tax cost of debt, including a 2.0% inflation differential) and a 3.2% terminal growth rate (2023 is the terminal year). At our P\$890/share price objective, Sonda would trade at 8.0x EBITDA, 19.1x P/E and 5.2% FCF yield for 2019E.

Downside risks to our price objective on Sonda are (1) higher than expected FX and macro volatility in the countries in which Sonda operates, (2) higher than expected M&A integration costs, (3) difficulties managing a large firm, which could translate into loss of quality, and (4) difficulties adapting to new technologies, which could translate into losing business with some customers. Upside risks to our price objective on Sonda are (1) lower than expected FX and macro volatility in the countries in which Sonda operates, (2) lower than expected M&A integration costs, and (3) new technologies, which could translate into higher profitability.

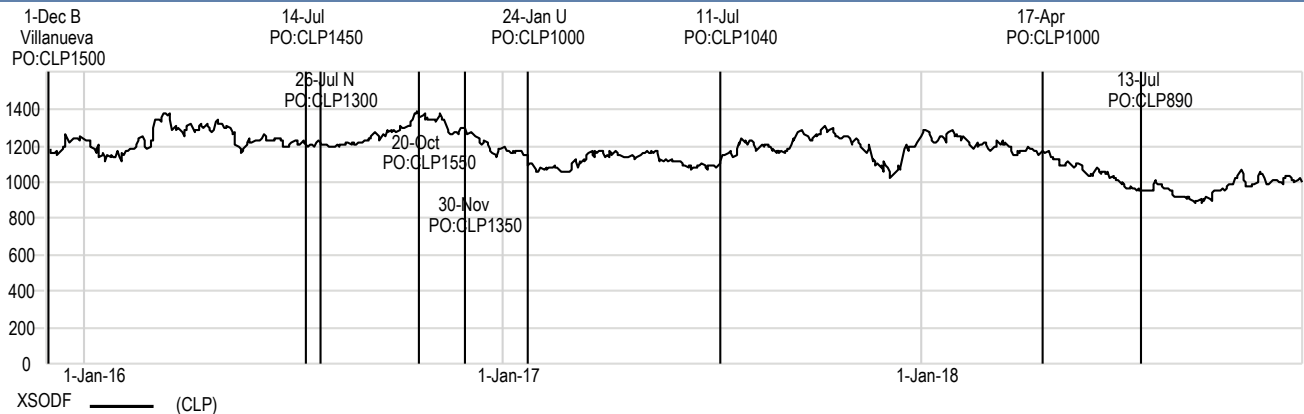
Analyst Certification

We, Rodrigo Villanueva, CFA and Mauricio Fernandes, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

Disclosures

Important Disclosures

XSODF Price Chart



B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

The Investment Opinion System is contained at the end of the report under the heading "Fundamental Equity Opinion Key". Dark grey shading indicates the security is restricted with the opinion suspended. Medium grey shading indicates the security is under review with the opinion withdrawn. Light grey shading indicates the security is not covered. Chart is current as of November 30, 2018 or such later date as indicated.

Equity Investment Rating Distribution: Technology Group (as of 30 Sep 2018)

| Coverage Universe | Count | Percent | Inv. Banking Relationships* | Count | Percent |
|-------------------|-------|---------|-----------------------------|-------|---------|
| Buy | 146 | 57.25% | Buy | 85 | 58.22% |
| Hold | 51 | 20.00% | Hold | 29 | 56.86% |
| Sell | 58 | 22.75% | Sell | 20 | 34.48% |

Equity Investment Rating Distribution: Global Group (as of 30 Sep 2018)

| Coverage Universe | Count | Percent | Inv. Banking Relationships* | Count | Percent |
|-------------------|-------|---------|-----------------------------|-------|---------|
| Buy | 1626 | 55.10% | Buy | 1043 | 64.15% |
| Hold | 641 | 21.72% | Hold | 402 | 62.71% |
| Sell | 684 | 23.18% | Sell | 327 | 47.81% |

* Issuers that were investment banking clients of BofA Merrill Lynch or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

FUNDAMENTAL EQUITY OPINION KEY: Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. **VOLATILITY RISK RATINGS**, indicators of potential price fluctuation, are: **A - Low**, **B - Medium** and **C - High**. **INVESTMENT RATINGS** reflect the analyst's assessment of a stock's: (i) absolute total return potential and (ii) attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). There are three investment ratings: **1 - Buy** stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; **2 - Neutral** stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and **3 - Underperform** stocks are the least attractive stocks in a coverage cluster. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

| Investment rating | Total return expectation (within 12-month period of date of initial rating) | Ratings dispersion guidelines for coverage cluster* |
|-------------------|---|---|
| Buy | ≥ 10% | ≤ 70% |
| Neutral | ≥ 0% | ≤ 30% |
| Underperform | N/A | ≥ 20% |

* Ratings dispersions may vary from time to time where BofA Merrill Lynch Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

INCOME RATINGS, indicators of potential cash dividends, are: **7 - same/higher** (dividend considered to be secure), **8 - same/lower** (dividend not considered to be secure) and **9 - pays no cash dividend**. Coverage Cluster is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector, region or other classification(s). A stock's coverage cluster is included in the most recent BofA Merrill Lynch report referencing the stock.

Price charts for the securities referenced in this research report are available at <https://pricecharts.baml.com>, or call 1-800-MERRILL to have them mailed.

In the US, retail sales and/or distribution of this report may be made only in states where these securities are exempt from registration or have been qualified for sale: Sonda S.A. BofA Merrill Lynch Research Personnel (including the analyst(s) responsible for this report) receive compensation based upon, among other factors, the overall profitability of Bank of America Corporation, including profits derived from investment banking. The analyst(s) responsible for this report may also receive compensation based upon, among other factors, the overall profitability of the Bank's sales and trading businesses relating to the class of securities or financial instruments for which such analyst is responsible.

Other Important Disclosures

From time to time research analysts conduct site visits of covered issuers. BofA Merrill Lynch policies prohibit research analysts from accepting payment or reimbursement for travel expenses from the issuer for such visits.

Prices are indicative and for information purposes only. Except as otherwise stated in the report, for the purpose of any recommendation in relation to: (i) an equity security, the price referenced is the publicly traded price of the security as of close of business on the day prior to the date of the report or, if the report is published during intraday trading, the price referenced is indicative of the traded price as of the date and time of the report; or (ii) a debt security (including equity preferred and CDS), prices are indicative as of the date and time of the report and are from various sources including Bank of America Merrill Lynch trading desks.

The date and time of completion of the production of any recommendation in this report shall be the date and time of dissemination of this report as recorded in the report timestamp.

Recipients who are not institutional investors or market professionals should seek the advice of their independent financial advisor before considering information in this report in connection with any investment decision, or for a necessary explanation of its contents.

Officers of MLPF&S or one or more of its affiliates (other than research analysts) may have a financial interest in securities of the issuer(s) or in related investments.

BofA Merrill Lynch Global Research policies relating to conflicts of interest are described at <https://go.bofa.com/coi>.

"BofA Merrill Lynch" includes Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") and its affiliates. Investors should contact their BofA Merrill Lynch representative or Merrill Lynch Global Wealth Management financial advisor if they have questions concerning this report or concerning the appropriateness of any investment idea described herein for such investor. "BofA Merrill Lynch" and "Merrill Lynch" are each global brands for BofA Merrill Lynch Global Research.

Information relating to Non-US affiliates of BofA Merrill Lynch and Distribution of Affiliate Research Reports:

MLPF&S distributes, or may in the future distribute, information of the following non-US affiliates in the US (short name: legal name; regulator): Merrill Lynch (South Africa): Merrill Lynch South Africa (Pty) Ltd., regulated by The Financial Service Board; MLI (UK): Merrill Lynch International, regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA); Merrill Lynch (Australia): Merrill Lynch Equities (Australia) Limited, regulated by the Australian Securities and Investments Commission; Merrill Lynch (Hong Kong): Merrill Lynch (Asia Pacific) Limited, regulated by the Hong Kong Securities and Futures Commission (HKSF); Merrill Lynch (Singapore): Merrill Lynch (Singapore) Pte Ltd, regulated by the Monetary Authority of Singapore (MAS); Merrill Lynch (Canada): Merrill Lynch Canada Inc, regulated by the Investment Industry Regulatory Organization of Canada; Merrill Lynch (Mexico): Merrill Lynch Mexico, SA de CV, Casa de Bolsa, regulated by the Comisión Nacional Bancaria y de Valores; Merrill Lynch (Argentina): Merrill Lynch Argentina SA, regulated by Comisión Nacional de Valores; Merrill Lynch (Japan): Merrill Lynch Japan Securities Co., Ltd., regulated by the Financial Services Agency; Merrill Lynch (Seoul): Merrill Lynch International, LLC Seoul Branch, regulated by the Financial Supervisory Service; Merrill Lynch (Taiwan): Merrill Lynch Securities (Taiwan) Ltd., regulated by the Securities and Futures Bureau; DSP Merrill Lynch (India): DSP Merrill Lynch Limited, regulated by the Securities and Exchange Board of India; Merrill Lynch (Indonesia): PT Merrill Lynch Sekuritas Indonesia, regulated by Otoritas Jasa Keuangan (OJK); Merrill Lynch (Israel): Merrill Lynch Israel Limited, regulated by Israel Securities Authority; Merrill Lynch (Russia): OOO Merrill Lynch Securities, Moscow, regulated by the Central Bank of the Russian Federation; Merrill Lynch (DIFC): Merrill Lynch International (DIFC Branch), regulated by the Dubai Financial Services Authority (DFSA); Merrill Lynch (Spain): Merrill Lynch Capital Markets Espana, S.A.S.V., regulated by Comisión Nacional del Mercado De Valores; Merrill Lynch (Brazil): Bank of America Merrill Lynch Banco Multiplo S.A., regulated by Comissão de Valores Mobiliários; Merrill Lynch KSA Company, Merrill Lynch Kingdom of Saudi Arabia Company, regulated by the Capital Market Authority.

This information has been approved for publication and is distributed in the United Kingdom (UK) to professional clients and eligible counterparties (as each is defined in the rules of the FCA and the PRA) by MLI (UK) and Bank of America Merrill Lynch International Limited, which are authorized by the PRA and regulated by the FCA and the PRA, and is distributed in the UK to retail clients (as defined in the rules of the FCA and the PRA) by Merrill Lynch International Bank Limited, London Branch, which is authorized by the Central Bank of Ireland and subject to limited regulation by the FCA and PRA - details about the extent of our regulation by the FCA and PRA are available from us on request; has been considered and distributed in Japan by Merrill Lynch (Japan), a registered securities dealer under the Financial Instruments and Exchange Act in Japan, or its permitted affiliates; is issued and distributed in Hong Kong by Merrill Lynch (Hong Kong) which is regulated by HKSF; is issued and distributed in Taiwan by Merrill Lynch (Taiwan); is issued and distributed in India by DSP Merrill Lynch (India); and is issued and distributed in Singapore to institutional investors and/or accredited investors (each as defined under the Financial Advisers Regulations) by Merrill Lynch (Singapore) (Company Registration No 198602883D). Merrill Lynch (Singapore) is regulated by MAS. Bank of America N.A., Australian Branch (ARBN 064 874 531), AFS License 412901 (BANA Australia) and Merrill Lynch Equities (Australia) Limited (ABN 65 006 276 795), AFS License 235132 (MLEA) distribute this information in Australia only to 'Wholesale' clients as defined by s.761G of the Corporations Act 2001. With the exception of BANA Australia, neither MLEA nor any of its affiliates involved in preparing this information is an Authorised Deposit-Taking Institution under the Banking Act 1959 nor regulated by the Australian Prudential Regulation Authority. No approval is required for publication or distribution of this information in Brazil and its local distribution is by Merrill Lynch (Brazil) in accordance with applicable regulations. Merrill Lynch (DIFC) is authorized and regulated by the DFSA. Information prepared and issued by Merrill Lynch (DIFC) is done so in accordance with the requirements of the DFSA conduct of business rules. Bank of America Merrill Lynch International Limited, Frankfurt Branch (BAMLI Frankfurt) distributes this information in Germany and is regulated by BaFin.

This information has been prepared and issued by MLPF&S and/or one or more of its non-US affiliates. The author(s) of this information may not be licensed to carry on regulated activities in your jurisdiction and, if not licensed, do not hold themselves out as being able to do so. MLPF&S is the distributor of this information in the US and accepts full responsibility for information distributed to MLPF&S clients in the US by its non-US affiliates. Any US person receiving this information and wishing to effect any transaction in any security discussed herein should do so through MLPF&S and not such foreign affiliates. Hong Kong recipients of this information should contact Merrill Lynch (Asia Pacific) Limited in respect of any matters relating to dealing in securities or provision of specific advice on securities or any other matters arising from, or in connection with, this information. Singapore recipients of this information should contact Merrill Lynch (Singapore) Pte Ltd in respect of any matters arising from, or in connection with, this information.

General Investment Related Disclosures:

Taiwan Readers: Neither the information nor any opinion expressed herein constitutes an offer or a solicitation of an offer to transact in any securities or other financial instrument. No part of this report may be used or reproduced or quoted in any manner whatsoever in Taiwan by the press or any other person without the express written consent of BofA Merrill Lynch.

This document provides general information only, and has been prepared for, and is intended for general distribution to, BofA Merrill Lynch clients. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any securities or other financial instrument or any derivative related to such securities or instruments (e.g., options, futures, warrants, and contracts for differences). This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of, and is not directed to, any specific person(s). This document and its content do not constitute, and should not be considered to constitute, investment advice for purposes of ERISA, the US tax code, the Investment Advisers Act or otherwise. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this document and should understand that statements regarding future prospects may not be realized. Any decision to purchase or subscribe for securities in any offering must be based solely on existing public information on such security or the information in the prospectus or other offering document issued in connection with such offering, and not on this document.

Securities and other financial instruments referred to herein, or recommended, offered or sold by BofA Merrill Lynch, are not insured by the Federal Deposit Insurance Corporation and are not deposits or other obligations of any insured depository institution (including, Bank of America, N.A.). Investments in general and, derivatives, in particular, involve numerous risks, including, among others, market risk, counterparty default risk and liquidity risk. No security, financial instrument or derivative is suitable for all investors. In some cases, securities and other financial instruments may be difficult to value or sell and reliable information about the value or risks related to the security or financial instrument may be difficult to obtain. Investors should note that income from such securities and other financial instruments, if any, may fluctuate and that price or value of such securities and instruments may rise or fall and, in some cases, investors may lose their entire principal investment. Past performance is not necessarily a guide to future performance. Levels and basis for taxation may change.

This report may contain a short-term trading idea or recommendation, which highlights a specific near-term catalyst or event impacting the issuer or the market that is anticipated to have a short-term price impact on the equity securities of the issuer. Short-term trading ideas and recommendations are different from and do not affect a stock's fundamental equity rating, which reflects both a longer term total return expectation and attractiveness for investment relative to other stocks within its Coverage Cluster. Short-term trading ideas and recommendations may be more or less positive than a stock's fundamental equity rating.

BofA Merrill Lynch is aware that the implementation of the ideas expressed in this report may depend upon an investor's ability to "short" securities or other financial instruments and that such action may be limited by regulations prohibiting or restricting "shortselling" in many jurisdictions. Investors are urged to seek advice regarding the applicability of such regulations prior to executing any short idea contained in this report.

Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. Investors in such securities and instruments, including ADRs, effectively assume currency risk.

UK Readers: The protections provided by the U.K. regulatory regime, including the Financial Services Scheme, do not apply in general to business coordinated by BofA Merrill Lynch entities located outside of the United Kingdom. BofA Merrill Lynch Global Research policies relating to conflicts of interest are described at <https://go.bofa.com/coi>.

MLPF&S or one of its affiliates is a regular issuer of traded financial instruments linked to securities that may have been recommended in this report. MLPF&S or one of its affiliates may, at any time, hold a trading position (long or short) in the securities and financial instruments discussed in this report.

BofA Merrill Lynch, through business units other than BofA Merrill Lynch Global Research, may have issued and may in the future issue trading ideas or recommendations that are inconsistent with, and reach different conclusions from, the information presented herein. Such ideas or recommendations may reflect different time frames, assumptions, views and analytical methods of the persons who prepared them, and BofA Merrill Lynch is under no obligation to ensure that such other trading ideas or recommendations are brought to the attention of any recipient of this information.

In the event that the recipient received this information pursuant to a contract between the recipient and MLPF&S for the provision of research services for a separate fee, and in connection therewith MLPF&S may be deemed to be acting as an investment adviser, such status relates, if at all, solely to the person with whom MLPF&S has contracted directly and does not extend beyond the delivery of this report (unless otherwise agreed specifically in writing by MLPF&S). If such recipient uses the services of MLPF&S in connection with the sale or purchase of a security referred to herein, MLPF&S may act as principal for its own account or as agent for another person. MLPF&S is and continues to act solely as a broker-dealer in connection with the execution of any transactions, including transactions in any securities referred to herein.

Copyright and General Information regarding Research Reports:

Copyright 2018 Bank of America Corporation. All rights reserved. iQprofileSM, iQmethodSM are service marks of Bank of America Corporation. iQdatabase[®] is a registered service mark of Bank of America Corporation. This information is prepared for the use of BofA Merrill Lynch clients and may not be redistributed, retransmitted or disclosed, in whole or in part, or in any form or manner, without the express written consent of BofA Merrill Lynch. BofA Merrill Lynch Global Research information is distributed simultaneously to internal and client websites and other portals by BofA Merrill Lynch and is not publicly-available material. Any unauthorized use or disclosure is prohibited. Receipt and review of this information constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained herein (including any investment recommendations, estimates or price targets) without first obtaining express permission from an authorized officer of BofA Merrill Lynch.

Materials prepared by BofA Merrill Lynch Global Research personnel are based on public information. Facts and views presented in this material have not been reviewed by, and may not reflect information known to, professionals in other business areas of BofA Merrill Lynch, including investment banking personnel. BofA Merrill Lynch has established information barriers between BofA Merrill Lynch Global Research and certain business groups. As a result, BofA Merrill Lynch does not disclose certain client relationships with, or compensation received from, such issuers. To the extent this material discusses any legal proceeding or issues, it has not been prepared as nor is it intended to express any legal conclusion, opinion or advice. Investors should consult their own legal advisers as to issues of law relating to the subject matter of this material. BofA Merrill Lynch Global Research personnel's knowledge of legal proceedings in which any BofA Merrill Lynch entity and/or its directors, officers and employees may be plaintiffs, defendants, co-defendants or co-plaintiffs with or involving issuers mentioned in this material is based on public information. Facts and views presented in this material that relate to any such proceedings have not been reviewed by, discussed with, and may not reflect information known to, professionals in other business areas of BofA Merrill Lynch in connection with the legal proceedings or matters relevant to such proceedings.

This information has been prepared independently of any issuer of securities mentioned herein and not in connection with any proposed offering of securities or as agent of any issuer of any securities. None of MLPF&S, any of its affiliates or their research analysts has any authority whatsoever to make any representation or warranty on behalf of the issuer(s). BofA Merrill Lynch Global Research policy prohibits research personnel from disclosing a recommendation, investment rating, or investment thesis for review by an issuer prior to the publication of a research report containing such rating, recommendation or investment thesis.

Any information relating to the tax status of financial instruments discussed herein is not intended to provide tax advice or to be used by anyone to provide tax advice. Investors are urged to seek tax advice based on their particular circumstances from an independent tax professional.

The information herein (other than disclosure information relating to BofA Merrill Lynch and its affiliates) was obtained from various sources and we do not guarantee its accuracy. This information may contain links to third-party websites. BofA Merrill Lynch is not responsible for the content of any third-party website or any linked content contained in a third-party website. Content contained on such third-party websites is not part of this information and is not incorporated by reference. The inclusion of a link does not imply any endorsement by or any affiliation with BofA Merrill Lynch. Access to any third-party website is at your own risk, and you should always review the terms and privacy policies at third-party websites before submitting any personal information to them. BofA Merrill Lynch is not responsible for such terms and privacy policies and expressly disclaims any liability for them.

All opinions, projections and estimates constitute the judgment of the author as of the date of publication and are subject to change without notice. Prices also are subject to change without notice. BofA Merrill Lynch is under no obligation to update this information and BofA Merrill Lynch's ability to publish information on the subject issuer(s) in the future is subject to applicable quiet periods. You should therefore assume that BofA Merrill Lynch will not update any fact, circumstance or opinion contained herein.

Subject to the quiet period applicable under laws of the various jurisdictions in which we distribute research reports and other legal and BofA Merrill Lynch policy-related restrictions on the publication of research reports, fundamental equity reports are produced on a regular basis as necessary to keep the investment recommendation current.

Certain outstanding reports may contain discussions and/or investment opinions relating to securities, financial instruments and/or issuers that are no longer current. Always refer to the most recent research report relating to an issuer prior to making an investment decision.

In some cases, an issuer may be classified as Restricted or may be Under Review or Extended Review. In each case, investors should consider any investment opinion relating to such issuer (or its security and/or financial instruments) to be suspended or withdrawn and should not rely on the analyses and investment opinion(s) pertaining to such issuer (or its securities and/or financial instruments) nor should the analyses or opinion(s) be considered a solicitation of any kind. Sales persons and financial advisors affiliated with MLPF&S or any of its affiliates may not solicit purchases of securities or financial instruments that are Restricted or Under Review and may only solicit securities under Extended Review in accordance with firm policies.

Neither BofA Merrill Lynch nor any officer or employee of BofA Merrill Lynch accepts any liability whatsoever for any direct, indirect or consequential damages or losses arising from any use of this information.