

# Changes to your Plan's investment menu



## Southern Company Employee Savings Plan



The Southern Company Employee Savings Plan (the “Plan”) is one of the best ways available for you to invest for your financial future. Periodically, Southern Company reviews the Plan to ensure that the investment choices available to you continue to suit the Plan’s objectives. Following a recent review, Southern Company will make a change to the Plan’s investment menu, effective **September 1, 2016**.

In addition, the company is happy to announce fee reductions for two of the funds in the investment menu, as described below.

### Change to the Vanguard Institutional Index Fund

- The Vanguard Institutional Index Fund will be transferred to a collective investment trust:

This investment choice will be added:

- **Vanguard Institutional 500 Index Trust**

This investment choice will be removed:

- **Vanguard Institutional Index Fund**

Assets will be transferred as indicated on the following page. Please review this transfer carefully to understand how it may affect your account.

### Fee reductions for two funds

- As of April 1, 2016, two funds in the Plan’s investment menu posted fee reductions, as follows:

The **BlackRock EAFE Equity Index Fund** reduced its Gross Expense Ratio from 0.080% to 0.065%; Gross Expense Ratio as of June 30, 2016: .065%.

The **BlackRock Russell 2000 Index Fund** reduced its Gross Expense Ratio from 0.060% to 0.050%; Gross Expense Ratio as of June 30, 2016: 0.050%.

### Do you need to take action?

If you are satisfied with this fund transfer, there is nothing you need to do. The transfer will occur automatically.

However, if you want to select a different choice for this asset, and want to do so before the transfer occurs, please contact Merrill Lynch before 4 p.m. (Eastern) on August 31, 2016. You can make your selections on Benefits OnLine® at [www.benefits.ml.com](http://www.benefits.ml.com) or by calling the Retirement & Benefits Contact Center at 1.800.369.9890.

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## Investment transfer

The table below indicates how investments in the fund to be removed from the Plan – both current balances and future contribution elections – will be transferred. Shown with each fund are its classification from Lipper, Inc., symbol (if any) for publicly traded funds, description and gross expense ratio as of June 30, 2016.

Investments in this fund...	Will be transferred to this fund...
<b>Vanguard Institutional Index Fund</b> Classification: S&P 500 Index Funds Symbol: VIXIX Gross Expense Ratio: 0.02%  The investment seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. <sup>1</sup>	<b>Vanguard Institutional 500 Index Trust</b> Classification: Collective Index Trust <sup>2</sup> Symbol: N/A Gross Expense Ratio: 0.014%  The investment seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. The fund employs an indexing investment approach designed to track the performance of the Standard & Poor's 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. It attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index. <sup>1,3</sup>

<sup>1</sup>It is not possible to invest directly in an index.

<sup>2</sup>This is not a Lipper classification.

<sup>3</sup>This investment option is not a mutual fund registered under the Investment Company Act of 1940. A prospectus is not available and shares are not publicly traded on exchanges.

*Investing involves risk, including the possible loss of principal. Investments in foreign securities or sector funds, including technology or real estate stocks, are subject to substantial volatility due to adverse political, economic or other developments and may carry additional risk resulting from lack of industry diversification. Funds that invest in small- or mid-capitalization companies experience a greater degree of market volatility than those of large-capitalization stocks and are riskier investments. Bond funds have the same interest rate, inflation, and credit risks associated with the underlying bonds owned by the fund. Generally, the value of bond funds rises when prevailing interest rates fall and falls when interest rates rise. Investing in lower-grade debt securities ("junk" bonds) may be subject to greater market fluctuations and risk of loss of income and principal than securities in higher-rated categories. There are ongoing fees and expenses associated with investing. Bear in mind that higher return potential is accompanied by higher risk.*

**Investors should consider the investment objectives, risks, charges and expenses of investment options carefully before investing. This, and additional information about the investment options, can be found in the prospectuses and, if available, the summary prospectuses, which can be obtained on Benefits OnLine at [www.benefits.ml.com](http://www.benefits.ml.com) or by calling Merrill Lynch at 1.800.369.9890. Investors should read the prospectuses and, if available, the summary prospectuses carefully before investing.**

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