

Nasdaq Fast Convergence Index, Powered by BofA

General Information

ASSET CLASS	Equity
BLOOMBERG TICKER	BOFANFCC
CURRENCY	USD
RETURN TYPE	Excess Return
VOLATILITY TARGET	12.5%
REBALANCING	Intraday
BASE DATE	08-Feb-2005
LIVE DATE	29-Jan-2020
INDEX CALCULATION AGENT	Merrill Lynch International
EXTERNAL CALCULATOR	Evalueserve

Index Components

Sector	
Equities	Exposure as of January 31, 2022
Nasdaq 100 TR Index (XNDX)	26.91% ^{1,2}

¹ The only exposure in the Nasdaq FC Index is to the Nasdaq 100 TR Index, rebalanced with cash to target a 12.5% volatility. Maximum exposure to XNDX is 175%. Minimum exposure is 0%, with 100% in cash.

² As of January 31, 2022. Nasdaq FC Index includes a 4% monthly cap rebalancing daily; BOFANFCV is the uncapped index with exposure to XNDX Index. Exposure numbers refer to the exposure of the uncapped index (BOFANFCV) to the Nasdaq-100 TR Index.

Index Overview

The Nasdaq Fast Convergence Index (“Nasdaq FC Index”) powered by BofA uses an innovative technology (patent-pending) which aims to reduce risk and improve performance by adapting faster to changing market conditions. The Nasdaq FC Index is designed with the goal of improving participation rates in an index-linked product.

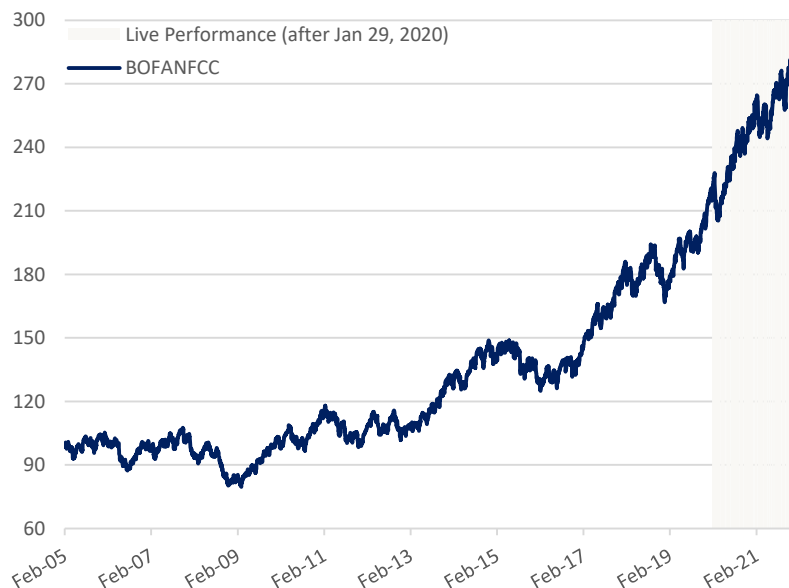
Access an index known for innovation: Since its inception over 30 years ago, the Nasdaq-100 Index has become one of the world’s preeminent large-cap growth indexes. The Nasdaq-100 Index is home to some of the world’s most innovative companies—including Apple, Google, Intel and Amazon.

Apply Fast Convergence technology to adapt faster to changing market conditions: The Nasdaq FC Index targets a 12.5% annualized volatility by applying Fast Convergence technology. By systematically monitoring market moves and rebalancing throughout the trading day, FC technology aims to more efficiently control the realized volatility of an index. Traditional approaches to risk management and portfolio construction have generally relied on longer time horizons to both measure and respond to changes in market volatility. Historically, higher volatility periods have coincided with negative market performance.

Employ a performance control mechanism to improve participation: Each day, a portion of the returns of the Nasdaq FC Index is capped at 4% for the preceding one month period. This performance cap aims to improve participation rates in indexed products, however, there is no limit to downside returns included in the Nasdaq FC Index.

Back-tested & Actual Index Performance

February 8, 2005 – January 31, 2022



Source: Bloomberg, BofA Securities The Nasdaq FC Index (BOFANFCC) includes a monthly performance cap rebalanced daily, and was created on 29-Jan-2020. Levels for the Index before 29-Jan-2020 represents hypothetical data determined by retroactive application of a backtested model, itself designed with the benefit of hindsight. **Past performance is not indicative of future performance.** Actual performance will vary, perhaps materially, from the performance set forth herein. The performance of the Index includes a 50bps fee drag and does not include fees or costs of any financial instrument referencing the index.

Monthly Fact Sheet

As of: 1-February-2022



Back-tested & Actual Monthly Performance³

Source: BofA Securities, Bloomberg (February 8, 2005 – January 31, 2022)

As of:	YTD Return	1yr Return	2yr Return	3yr CAGR	5yr CAGR	10yr CAGR
1/31/2022	-6.26%	2.22%	21.49%	13.84%	12.63%	9.39%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2022	-6.26%												
2021	0.20%	-1.81%	-0.08%	2.55%	-2.19%	5.02%	0.14%	3.63%	-5.33%	5.69%	1.17%	0.42%	9.26%
2020	0.68%	-1.81%	-0.86%	4.46%	2.03%	2.06%	2.89%	5.18%	-1.58%	-2.37%	5.11%	2.49%	19.43%
2019	3.58%	2.08%	3.48%	4.80%	-5.60%	5.17%	0.76%	-1.49%	0.21%	3.74%	3.25%	3.01%	24.95%
2018	6.59%	-2.82%	-4.34%	-0.37%	3.75%	0.80%	2.61%	5.52%	-0.42%	-6.05%	-0.55%	-5.22%	-1.42%
2017	5.15%	4.23%	1.89%	3.30%	2.67%	-4.16%	4.57%	1.76%	-1.85%	5.75%	0.63%	0.28%	26.50%
2016	-4.51%	-2.02%	5.82%	-4.04%	3.62%	-4.12%	6.18%	0.44%	1.64%	-2.02%	-0.78%	0.92%	0.40%
2015	-2.08%	5.56%	-1.72%	0.85%	1.38%	-3.76%	2.21%	-6.86%	-1.78%	5.79%	-1.07%	-1.23%	-3.39%
2014	-3.38%	4.67%	-3.28%	-1.32%	3.57%	2.73%	0.34%	5.53%	-1.49%	0.98%	3.67%	-5.00%	6.55%
2013	1.81%	-0.13%	2.27%	0.94%	2.30%	-2.14%	5.29%	-1.31%	4.57%	3.64%	3.79%	2.48%	25.86%
2012	5.93%	3.79%	3.39%	-1.38%	-6.23%	2.11%	-1.00%	4.69%	-0.17%	-4.51%	0.21%	-1.32%	4.85%
2011	2.29%	2.05%	-0.23%	0.01%	-2.15%	-3.76%	0.18%	-3.88%	-2.28%	3.16%	-3.16%	-0.67%	-8.41%
2010	-2.86%	1.71%	5.37%	1.00%	-3.66%	-4.22%	2.87%	-4.17%	7.17%	3.94%	-1.04%	3.12%	8.72%
2009	-0.78%	-1.33%	3.37%	3.59%	1.10%	1.08%	3.54%	0.13%	3.91%	-1.38%	3.74%	2.92%	21.52%
2008	-6.71%	-2.74%	0.54%	3.92%	3.48%	-5.67%	0.38%	-0.71%	-6.41%	-3.42%	-3.82%	1.22%	-18.85%
2007	-0.05%	-2.78%	0.98%	4.02%	1.96%	-1.39%	1.15%	-0.36%	3.12%	3.35%	-4.71%	-0.14%	4.88%
2006	2.81%	-2.41%	1.41%	-1.27%	-7.49%	-0.20%	-2.98%	2.54%	2.60%	3.31%	2.36%	-1.74%	-1.63%
2005	NA	-0.96%	-1.69%	-3.67%	5.50%	-2.64%	6.37%	-1.90%	0.44%	-1.57%	3.37%	-3.36%	-0.71%

More information on the Index can be found at NasdaqFC.mf.com

(3) Source: Bloomberg, BofA Securities The Nasdaq FC Index (BOFANFCC) includes a monthly performance cap rebalanced daily, and was created on 29-Jan-2020. Levels for the Index before 29-Jan-2020 represents hypothetical data determined by retroactive application of a backtested model, itself designed with the benefit of hindsight. **Past performance is not indicative of future performance.** Actual performance will vary, perhaps materially, from the performance set forth herein. The performance of the Index includes a 50bps fee drag and does not include fees or costs of any financial instrument referencing the index.

Selected Risk Factors & Disclaimers:

Below is a summary of some of the risks relating to the Index or Indices discussed herein. Please request a copy of the applicable rulebook for additional risk disclosure. Before investing in any such instrument or entering in any such transaction, you must satisfy yourself that you fully understand the risks of such instrument or transaction and you are solely responsible for making an independent appraisal of and investigation into such Index or Indices and should not rely on this information or the Index Rulebook as constituting investment, financial or other advice.

NATURE OF THE INDEX

The Index uses a rules-based formula to enable the Index Closing Level to be calculated from time to time. Although instruments may be issued or entered into where such instruments' return is linked to the Index performance, the Index is not itself an investment or instrument and does not give any person any entitlement to, or ownership interest in, any underlying components or any other obligation referenced (directly or indirectly) by the Index.

POTENTIAL CONFLICTS OF INTEREST

Potential conflicts of interest may exist in the internal teams and divisions of BofA Securities or across different entities within the BofA group. For example, one team may calculate and publish the level of the Index, while another team within the organization may issue or promote/sell products linked to the Index or an Index Component. In addition, a further team within the organization may have trading positions in or relating to instruments and assets to which the performance of the Index is directly or indirectly linked (including any Index Component). Entities within the BofA group may be active and significant participants in or act as market maker in relation to a wide range of markets for currencies, commodities, securities and derivatives. Such activities may be undertaken on such a scale as to affect, either temporarily or on a long-term basis, the price of such investments which may impact adversely on the Index Closing Level. No entity within the BofA group shall have any duty or obligation to take into account any impact in the performance of the Index when effecting transactions in such markets.

In addition, the Index Sponsor and initial Index Calculation Agent, MLI, or its Affiliates may enter into transactions referencing or relating to the Index with one or more counterparties or may engage in proprietary trading in the Index or securities, options, futures, derivatives or other instruments relating to the Index or any Index Component (including such trading as it or its affiliate deems appropriate in their sole and absolute discretion to hedge its market risk with respect to the Index or any transaction relating to the Index) for their accounts, for business reasons, or for other accounts under its or their management. The Index Sponsor and Affiliates may enter into such transactions or hedging transactions with a view to a profit or other financial gain. In addition, any such trading may affect the level or Index Closing Level and consequently the amounts payable or deliverable in any transaction referencing or relating to the Index. Such trading may be effected at any time, including on or near determination, setting, resetting or other calculation dates for the Index or such Index Components, or the pricing, setting, resetting or other valuation date(s) for any such transaction.

EMBEDDED COSTS

The calculation of the Index will incorporate a deduction for embedded costs. These transaction costs are not a per annum amount but are adjustments made in order to account for synthetic costs (for example, bid-ask spread, slippage and brokerage) incurred by a professional investor seeking to replicate the strategy of the Index. In addition, these transaction costs may take into account expenses incurred by the Benchmark Sponsor in the development of intellectual property for, and administration of, the Index. These transaction costs may be higher or lower than the actual costs of hedging the exposure to the Index and, if higher, may result in professional investors being in a worse position than if they were to replicate the Index. The embedded transaction costs are deducted from the level of the Index and act as a drag on the Index, therefore reducing the amount of return on the Index, and the level of the Index must increase by an amount sufficient to offset the aggregate of the transaction costs in order for there to be any return on the Index Performance. The transaction costs are calculated in accordance with the Index Rulebook.

PAST PERFORMANCE

Past performance of the Index is not a reliable guide to future performance and the past performance of the Index may have been determined on terms different to those described in this Index Rulebook. No assurance, representation or warranty is given with respect to the future performance of the Index or that it will achieve its objective. Instruments linked to the Index can fluctuate in price or value and prices, values or income may fall against the interests of any investor or counterparty exposed to the performance of the Index. Changes in rates of exchange, rates of interest and prices of any Index Components, among other things, may have an adverse effect on the Index Closing Level.

SIMULATED HISTORICAL PERFORMANCE

All Index Closing Levels between the Index Base Date and the Index Live Date have been determined by the Index Calculation Agent by reference to historical data and must be considered as simulated and thus purely hypothetical. The methodology used to calculate Index Closing Levels prior to the Index Live Date, and the assumptions upon which such Index Closing Levels are based, may be different to those applied from the Index Live Date and in the future. Whilst any such methodology or assumption is, in the view of the Index Sponsor, reasonable, the use of historical data may result in material differences between the simulated performance of the Index, prior to the Index Live Date, and any subsequent actual performance.

DUTY OF CARE

Subject always to their regulatory obligations and except as may be required by applicable law, neither the Index Sponsor (including where it acts through the Equities Index Forum) nor the Index Calculation Agent shall have a duty of care or any fiduciary duty to any person in respect of the Index including any investor in any instrument, or any counterparty to any transaction, linked to the Index. Neither the Index Sponsor nor the Index Calculation Agent is acting as an investment adviser or manager or providing advice of any nature in relation to the Index or any instrument or transaction linked to the Index.

OTHER RISKS

There is no guarantee, warranty or assurance that this Index Rulebook discloses all possible factors that may affect the performance of the Index and the risks of investing in any instrument, or entering into a transaction that is linked to the Index. Before investing in any such instrument or entering in any such transaction, you must satisfy yourself that you fully understand the risks of such instrument or transaction and you are solely responsible for making an independent appraisal of and investigation into the Index and should not rely on this Index Rulebook as constituting investment, financial or other advice.

Additional risk factors can be found in the Index Rulebook.

This document is provided to you solely for informational purposes by BofA Securities and is designed to serve as a general summary of the products and services (including the Index) that BofA Securities may offer from time-to-time. Products and services that may be referenced in the accompanying materials may be provided through one or more affiliates of BofA Securities. These disclaimers apply to them in such situations. This document is not research and it was not prepared or reviewed by employees within the BofA Global Research department. This document is not intended to constitute advertising or advice of any kind, and it should not be viewed as an offer or a solicitation to buy or sell securities or any other financial instrument or product. BOFA SECURITIES MAKES NO REPRESENTATION, WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, CONCERNING THIS DOCUMENT AND ITS CONTENTS, INCLUDING WHETHER THE INFORMATION (WHICH MAY INCLUDE INFORMATION AND STATISTICS OBTAINED FROM THIRD PARTY SOURCES) IS ACCURATE, COMPLETE OR CURRENT. THE INFORMATION IN THIS DOCUMENT IS PROVIDED "AS IS," IS SUBJECT TO CHANGE AT ANY TIME, AND BOFA SECURITIES HAS NO DUTY TO PROVIDE YOU WITH NOTICE OF SUCH CHANGES.

BOFA SECURITIES WILL NOT BE RESPONSIBLE OR LIABLE FOR ANY LOSSES, WHETHER DIRECT, INDIRECT OR CONSEQUENTIAL, INCLUDING LOSS OF PROFITS, DAMAGES, COSTS, CLAIMS OR EXPENSES, RELATING TO OR ARISING FROM YOUR RELIANCE UPON ANY PART OF THIS DOCUMENT. Before determining to use any service or product offered by BofA Securities, you should consult with your independent advisors to review and consider any associated risks and consequences. This document has been prepared without regard to the specific investment objectives, financial situation and needs of any particular recipient. BofA Securities does not render any opinion regarding legal, accounting, regulatory or tax matters.

This document is for recipient use only, may not be shared with others, and may not be reproduced, disseminated, quoted or referred to, in whole or in part, without our prior written consent. These materials may not reflect information known to other professionals in other business areas of BofA Securities and its affiliates. This document, including all trademarks and service marks relating to BofA Securities, remains the intellectual property of BofA Securities. For other important legal terms governing the use of this document please see: [Global Markets Disclaimers](#)

"Bank of America" and "BofA Securities" are the marketing names used by the Global Banking and Global Markets divisions of Bank of America Corporation. Lending, other commercial banking activities, and trading in certain financial instruments are performed globally by banking affiliates of Bank of America Corporation, including Bank of America, N.A., Member FDIC. Trading in securities and financial instruments, and strategic advisory, and other investment banking activities, are performed globally by investment banking affiliates of Bank of America Corporation ("Investment Banking Affiliates"), including, in the United States, BofA Securities, Inc. and Merrill Lynch Professional Clearing Corp., both of which are registered broker-dealers and Members of [SIPC](#), and, in other jurisdictions, by locally registered entities. BofA Securities, Inc. and Merrill Lynch Professional Clearing Corp. are registered as futures commission merchants with the CFTC and are members of the NFA.

Investment products offered by Investment Banking Affiliates:

Are Not FDIC Insured * May Lose Value * Are Not Bank Guaranteed.

© 2021 Bank of America Corporation. All rights reserved.

Nasdaq Disclaimer

The Nasdaq FC Index is not calculated, administered, sponsored, endorsed, sold or promoted by Nasdaq, Inc. or its affiliates (Nasdaq, with its affiliates, are referred to as the "Corporations"). The Corporations have not passed on the legality or suitability of, or the accuracy or adequacy of descriptions and disclosures relating to, the Nasdaq FC Index. The Corporations make no representation or warranty, express or implied regarding the Nasdaq FC Index or to any member of the public regarding the advisability of investing in securities generally or in the Nasdaq FC Index particularly, or the ability of the NASDAQ-100 Index and NASDAQ FC Index to track general stock market performance. The Corporations' only relationship to BofA Securities, Inc. ("BofAS") is in the licensing of Nasdaq® and certain trade names of the Corporations and the use of the NASDAQ-100 Index which is determined, composed and calculated by Nasdaq without regard to BofAS or the Nasdaq FC Index. Nasdaq has no obligation to take the needs of BofAS or the Nasdaq FC Index into consideration in determining, composing or calculating the NASDAQ-100 Index. The Corporations are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Nasdaq FC Index or in the determination or calculation of the equation of the Nasdaq FC Index. The Corporations have no liability in connection with the administration, marketing or trading of the Nasdaq FC Index.

THE CORPORATIONS DO NOT GUARANTEE THE ACCURACY AND/OR UNINTERRUPTED CALCULATION OF THE NASDAQ-100 INDEX OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY BOFAS, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE NASDAQ-100 INDEX AND NASDAQ FC INDEX OR ANY DATA INCLUDED THEREIN. THE CORPORATIONS MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE NASDAQ-100 INDEX AND NASDAQ FC INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE CORPORATIONS HAVE ANY LIABILITY FOR ANY LOST PROFITS OR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES, EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.