

S&P 500 FC Index

The gold standard of indices meets today's technology



**S&P Dow Jones
Indices**

A Division of **S&P Global**

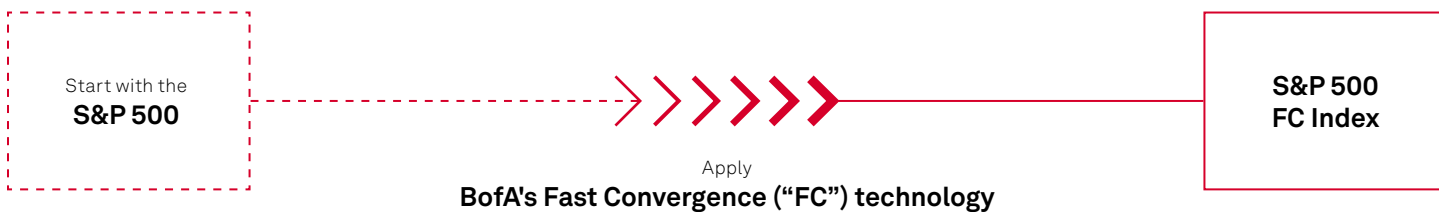
BofA SECURITIES 

How Does the Index Work?

The S&P 500 FC TCA 0.50% Decrement Index (USD) ER (“S&P 500 FC Index” or the “Index”) seeks to provide optimized exposure to the S&P 500® through Fast Convergence technology, which was developed by and licensed from BofA Securities and its affiliates (“BofA”). This technology helps the Index to dynamically adjust to market conditions throughout the day.

When intraday volatility is running above the 11.5% target, the Index reduces its exposure to the S&P 500. When volatility is running below target, the Index increases its equity exposure with a maximum leverage of 175%. Back-tested data has shown that, over time, the Index has averaged roughly 100% exposure to the S&P 500.

The S&P 500 FC Is Constructed in Two Simple Steps



What Is Fast Convergence Technology?

FC technology is BofA's patented method of volatility control that rebalances exposure to an underlying index component throughout the trading day.

By systematically monitoring market movement and rebalancing throughout the trading day, BofA's FC technology seeks 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.

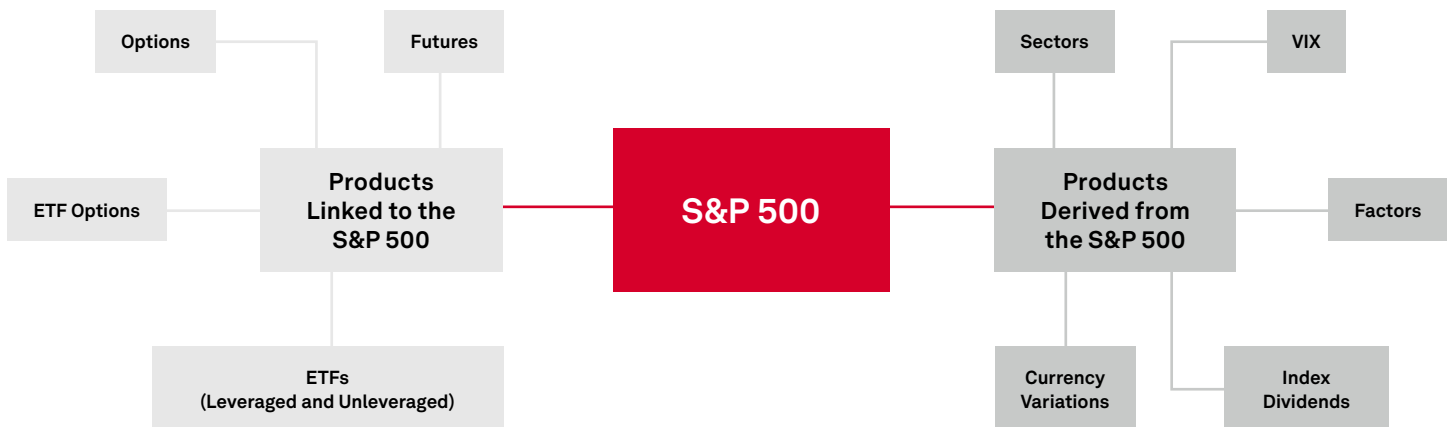
Historically, higher volatility periods have often coincided with negative market performance (see back-tested monthly rolling volatility and performance exhibits on page 4 and 6).

Why Use the S&P 500?

With more than 65 years of live index history, the S&P 500 has a long and proud history. The 500™ is widely regarded as the best single gauge of U.S. large-cap equities. Its constituents span all 11 GICS® sectors and cover approximately 80% of U.S. equity market capitalization and 50% of global market capitalization.

Many of the world's largest exchange-traded funds (ETFs) and mutual funds track the 500. The 500 supports a large and robust trading ecosystem, including index futures and options, which generated USD 197 trillion in index equivalent trading volume in 2021.

S&P 500 Trading Ecosystem



Source: S&P Dow Jones Indices LLC, S&P 500: The Gauge of the Market Economy
<https://www.spglobal.com/spdji/en/documents/additional-material/sp-500-brochure.pdf>



BofA's Fast Convergence Technology Aims to Increase Both Index Stability and Performance



Stability

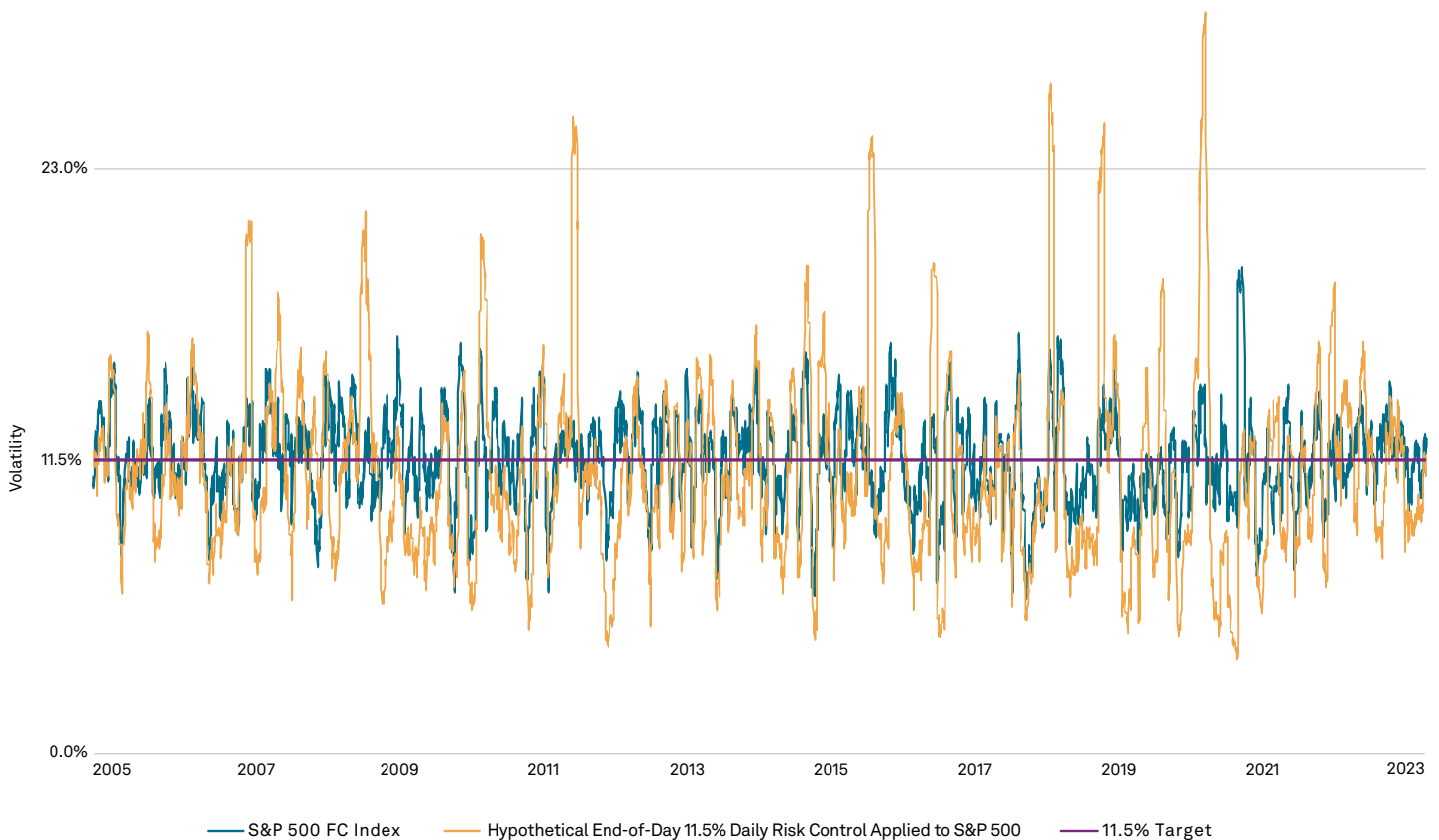
By more dynamically managing risk with intraday volatility targeting, FC technology aims to result in a more stable index volatility when compared to an index using traditional end-of-day volatility targeting.



Performance

By adapting more quickly to changing markets, FC technology aims to manage exposure to large drawdowns, which may increase potential upside.

Back-Tested Monthly Rolling Volatility



Source: S&P Dow Jones Indices LLC. Data from Dec. 31, 2004, to March 31, 2023. Index performance based excess returns in USD. The S&P 500 FC TCA 0.50% Decrement Index (USD) ER was launched June 23, 2023. All data prior to index launch date is back-tested hypothetical data. Past performance is no guarantee of future results. Charts are provided for illustrative purposes and reflect hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance. Because this index applies a volatility control mechanism, the range of both positive and negative performance of the Index is limited. Index applies a volatility control mechanism, the range of both positive and negative performance of the Index is limited. The performance of the Index includes a decrement of 50 bps that amounts to a cost included in the Index; performance of the Index does not include fees or costs of any financial instrument referencing the index.

Adapt to Changing Market Conditions

The S&P 500 FC Index targets 11.5% annualized volatility by applying BofA's Fast Convergence technology.

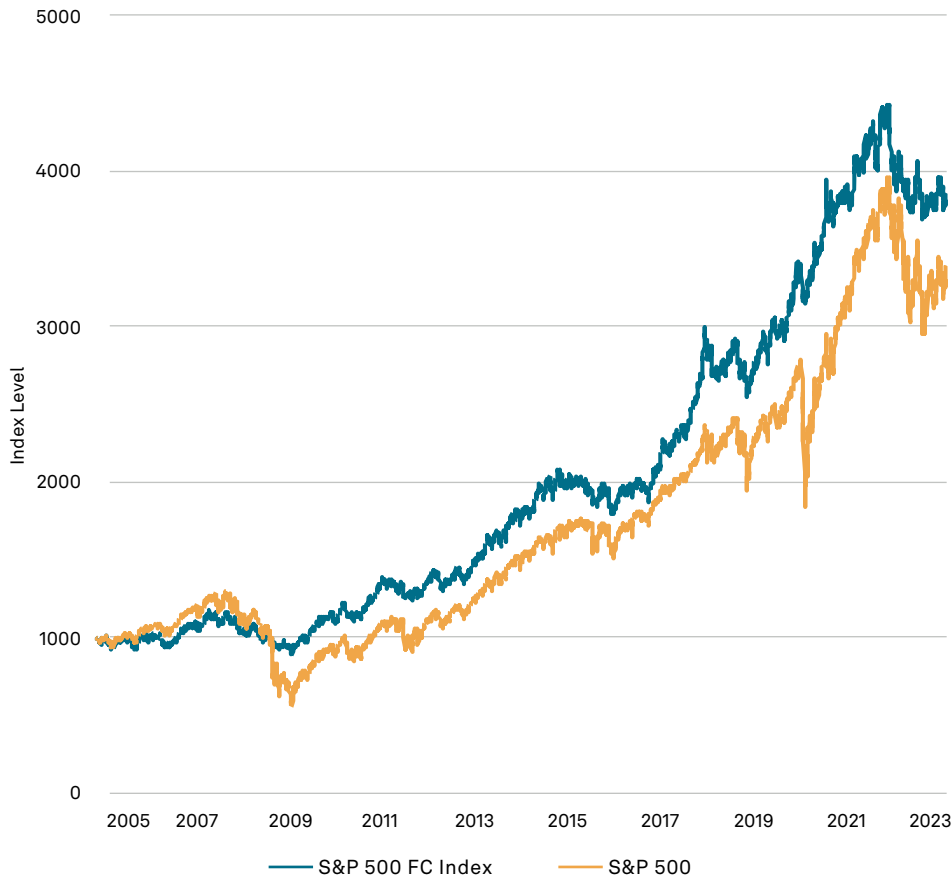
The Index dynamically adjusts its allocation several times a day based on volatility observations from the market.

The Index aims to systematically stabilize volatility throughout the trading day.

Unlike a daily risk control index that rebalances based on end-of-day realized volatility observations, intraday rebalancing is designed to provide more precise volatility control on the mechanism.



Back-Tested Historical Performance of the S&P 500 FC Index



Year	S&P 500 FC Index	S&P 500
2005	-2.25	3.00
2006	9.77	13.62
2007	2.51	3.53
2008	-12.65	-38.49
2009	17.09	23.45
2010	13.89	12.78
2011	1.16	0.00
2012	7.98	13.41
2013	30.30	29.60
2014	10.26	11.39
2015	-3.97	-0.73
2016	5.26	9.54
2017	31.53	19.42
2018	-3.00	-6.24
2019	25.76	28.88
2020	18.61	16.26
2021	13.59	26.89
2022	-14.25	-19.44

Source: S&P Dow Jones Indices LLC. Data from Dec. 31, 2004, to March 31, 2023. Index performance based excess returns in USD. The S&P 500 FC TCA 0.50% Decrement Index (USD) ER was launched June 23, 2023. All data prior to index launch date is back-tested hypothetical data. Past performance is no guarantee of future results. Charts are provided for illustrative purposes and reflect hypothetical historical performance. Please see the Performance Disclosure at the end of this document for more information regarding the inherent limitations associated with back-tested performance. Because this index applies a volatility control mechanism, the range of both positive and negative performance of the Index is limited. Index applies a volatility control mechanism, the range of both positive and negative performance of the Index is limited. The performance of the Index includes a decrement of 50 bps that amounts to a cost included in the Index; performance of the Index does not include fees or costs of any financial instrument referencing the index.

Quick Facts for the S&P 500 FC Index

Components	S&P 500	Return Type	Excess Return
Currency	USD	Volatility Target	11.50%
Launch Date	June 23, 2023	Maximum Leverage	175%
–	–	Back-Tested Average Leverage	95%

About S&P Dow Jones Indices

At S&P Dow Jones Indices, we provide iconic and innovative index solutions backed by unparalleled expertise across the asset-class spectrum. By bringing transparency to the global capital markets, we empower investors everywhere to make decisions with conviction. We're the largest global resource for index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based upon our indices than any other index provider in the world. With over USD 10.1 trillion in passively managed assets linked to our indices and over USD 12.7 trillion benchmarked to our indices (as of Dec. 31, 2021), our solutions are widely considered essential in tracking market performance, evaluating portfolios and developing investment strategies.

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Bank of America is a global leader in wealth management, corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions and individuals around the world. Bank of America offers industry-leading support to approximately 3 million small business households through a suite of innovative, easy-to-use online products and services. The company serves clients through operations across the United States, its territories and approximately 35 countries. Bank of America Corporation stock (NYSE: BAC) is listed on the New York Stock Exchange.

Performance Disclosure/Back-Tested Data

The S&P 500 FC TCA 0.50% Decrement Index (USD) ER was launched June 23, 2023. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance, and is based on the index methodology in effect on the index launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Complete index methodology details are available at www.spglobal.com/spdji. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations. Back-tested performance is for use with institutions only; not for use with retail investors.

S&P Dow Jones Indices defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate S&P DJI's ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using "Backward Data Assumption" (or pulling

back) of ESG data for the calculation of back-tested historical performance. "Backward Data Assumption" is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as "product involvement") were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on "Backward Data Assumption" please refer to the FAQ. The methodology and factsheets of any index that employs backward assumption in the back-tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used.

Index returns shown do not represent the results of actual trading of investable assets/securities. S&P Dow Jones Indices maintains the index and calculates the index levels and performance shown or discussed but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US \$100,000 investment for a 12-month period (or US \$10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US \$1,650), the net return would be 8.35% (or US \$8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US \$5,375, and a cumulative net return of 27.2% (or US \$27,200).

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