



Access the new economy

BofA Global MegaTrends Index

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New economy exposure, next-generation volatility control

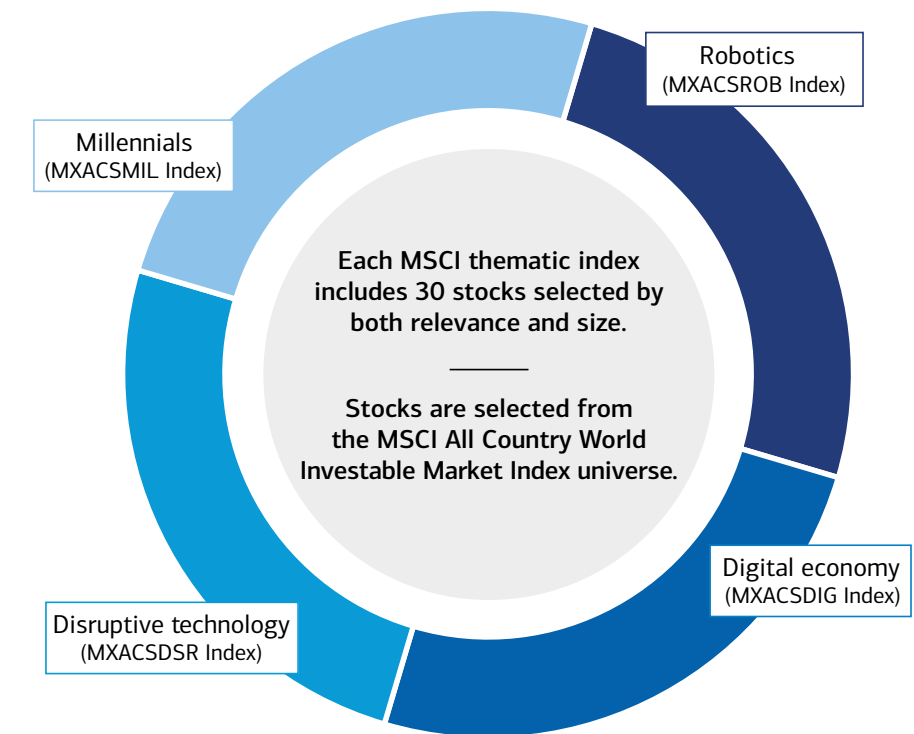
As the economy evolves and technology continues to transform business, communication and daily life, sources of market growth are shifting. BofA Global MegaTrends Index is designed to tap into global innovation and long-term growth trends and use the latest technology to manage risk.

Targeting tomorrow's market leaders

The BofA Global MegaTrends Index dynamically allocates between¹ a basket of four, equally weighted indices (created by MSCI, a premier research and global index provider), a treasury futures index and notional cash positions. The four indices are based on the MSCI All Country World Investable Market Index universe, concentrating on four future-focused areas—robotics, the digital economy, millennials and disruptive technology. Each index contains 30 of the largest stocks for each theme.

¹MSCI Global Select Top 30 Thematic Indexes Methodology. Each MSCI thematic index is reviewed and rebalanced semiannually.

Adapt to a changing world



Robotics (MXACSR0B Index)

Robotics and automation are disrupting nearly every industry across the world. This MSCI index targets global companies with high exposure to business activities such as artificial intelligence and automation, as well as industrial, non-industrial and autonomous robots.

Millennials (MXACSMIL Index)

The MSCI index targets companies that align with the preferences of the millennial generation. This includes select global businesses with high exposure to areas like popular brands, health and fitness, travel and leisure, social media and entertainment, housing and home goods, financial services, clothing and apparel, food and dining.

Digital Economy (MXACSDIG Index)

The MSCI index aims to represent the performance of companies associated with innovations focused on the digital economy value chain. This includes global companies involved with business activities such as digital payments, cybersecurity, e-commerce, robotics, social media, the sharing economy and cloud computing.

Disruptive Technology (MXACSDSR Index)

Innovations become disruptive when they sweep away traditional ways of doing things. This MSCI index seeks global companies involved in business activities such as 3D printing, fintech, healthcare innovation, cloud computing, digital payments, robotics, cybersecurity, clean energy and smart grids.

Source: MSCI Thematic Investing: <https://www.msci.com/our-solutions/indexes/thematic-investing>. The universe for each thematic index is the MSCI All Country World Investable Market Index. There may be overlap in stock selection in the thematic indices.

Index construction

1 Select stocks based on their adherence to a theme

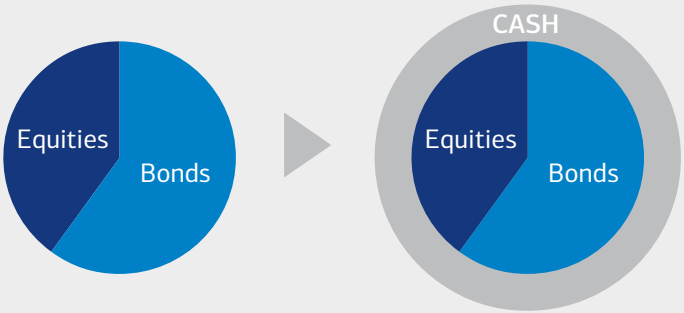
Each thematic index systematically selects stocks from the MSCI All Country World Investable Market Index (“MSCI ACWI IMI Index”) universe. The MSCI ACWI IMI universe includes over 8,000 constituents from 47 countries, capturing approximately 99% of the global equity investment opportunity set.²

Natural language processing (NLP) is first used to identify products, services and concepts to create a set of keywords that are representative of each theme. Then, each thematic index applies these keywords to identify relevant stocks. Sophisticated investors have turned to NLP, an automated and algorithmic technology that interprets text and voice data, due to its ability to scan large volumes of text and data from companies across multiple industries and regions. For each MSCI thematic index, source material includes business segment information from annual reports and summary descriptions of a company’s business activities, gathered from publicly available documents. Stock selection is rules-based and non-discretionary, with the goal of selecting the most relevant companies that align with each theme.³

2 Employ smart diversification

In addition to the basket of four equally weighted MSCI thematic indices, the Index includes a bond component made up of a rolling 10-year U.S. Treasuries Index and a stop-loss mechanism. The inclusion of the bond component aims to reduce exposure to equity market drawdowns and maintain the 7% volatility target. The bond component includes an embedded stop-loss mechanism designed to guard against rising rates. If rates begin to rise, the bond component systematically reduces allocation to U.S. Treasuries and increases allocation to cash with the goal of moderating market fluctuations and reducing volatility.⁴

By including an allocation to U.S. Treasuries, the Index aims to reduce exposure to market drawdowns.



When projected volatility of the portfolio is anticipated to be above the 7% target, cash is used to reduce volatility.

3 Leverage next-generation volatility control

BofA Global MegaTrends Index applies Salt Financial’s truVol® Risk Control Engine (RCE). This risk management technology is designed to manage volatility by leveraging historical intraday data, with the goal of improved responsiveness and accuracy in rapidly changing markets.



While traditional volatility control methods are limited to only one data point per day — daily closing prices — truVol is powered by higher frequency data. It uses market prices from multiple points during the trading day to create a fuller picture of historical volatility and trends, seeking to reduce risk and improve index stability.⁵

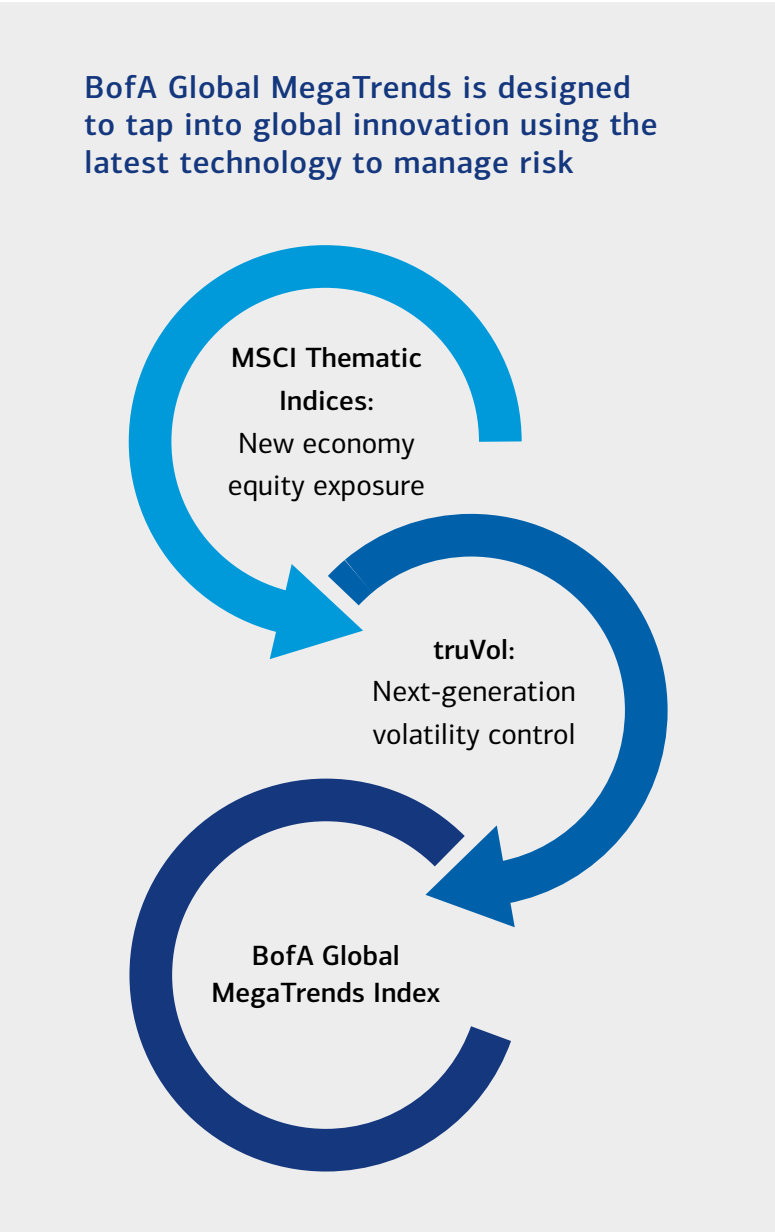
²MSCI ACWI IMI Index, as of December 31, 2024. Each MSCI thematic index is reviewed and rebalanced semiannually.

³MSCI Thematic Investing.

⁴The four thematic indices are rebalanced to equal weights within the equity component semiannually to align with the underlying index schedule. Within the bond component, the increase or decrease in allocation to cash due to the stop-loss mechanism is limited to 25% each trading day.

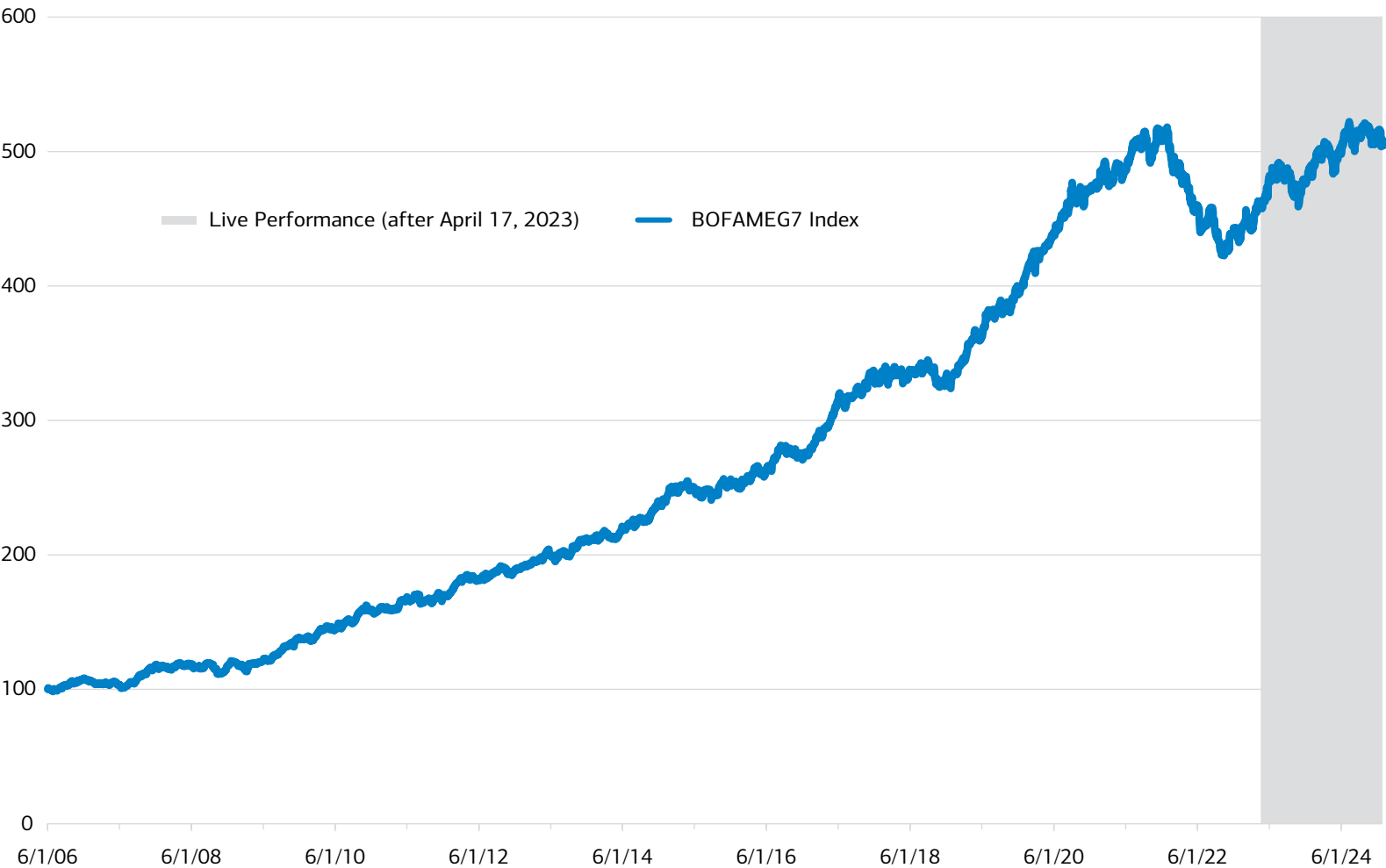
⁵Salt Financial, truVol Risk Control Engine truvol.saltfinancial.com.





BofA Global MegaTrends Index

Back-tested and Actual Index performance⁶



Year	Return
2006	5.6%
2007	10.8%
2008	3.0%
2009	14.0%
2010	14.9%
2011	8.4%
2012	11.3%
2013	11.7%
2014	12.7%
2015	5.6%
2016	8.3%
2017	19.7%
2018	1.4%
2019	20.4%
2020	19.2%
2021	7.9%
2022	-15.8%
2023	12.7%
2024	3.2%

⁶Sources: BofA Securities, Bloomberg. Data from June 1, 2006, to December 31, 2024. The Index was created on April 17, 2023. Levels for the Index before April 17, 2023, represent hypothetical data determined by retroactive application of a back-tested 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 an 85 bps cost and embedded transaction costs; performance of the Index does not include fees or costs of any financial instrument referencing the Index. The Index performance represents excess return. Because this Index applies a volatility control mechanism, the range of both positive and negative performance of the Index is limited. The selection universe for the MSCI Global Select Top 30 Thematic Indices is defined by the constituents of the respective MSCI Thematic Indices (the "Parent Indices"). The Equity Constituent Daily Closing Level for each of the MSCI Indices is extended before the Reuters history start date at 11/30/2016 using proprietary proxy data from MSCI. The extended simulations were based on static baskets of each Parent Index as of December 1, 2016. For the period from 2011–2016, MSCI applied the MSCI Global Select Top 30 Thematic Indexes Methodology to the static basket. For the period from 2006–2010, MSCI utilized the Parent level weights (market cap x relevance score) instead of the free-float adjusted market cap weights. A constituent cap of 10% was applied throughout this proxy period.

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 Merrill Lynch International 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 Benchmark 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 Benchmark 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 TRANSACTION COSTS: The calculation of the Index will incorporate a deduction for embedded transaction 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 Index 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.

EXCESS RETURN INDEX: This is an “excess return” index. An excess return index reflects returns on a hypothetical investment in the Index Components using borrowed funds. The borrowing cost is a market rate which is deducted from the Index performance on a daily basis (as set forth in the Index Rulebook). This deduction will negatively affect Index performance by reducing the positive performance of the Index and exacerbating the negative performance of the Index.

VOLATILITY CONTROL: The Index’s “volatility control” mechanism may reduce the appreciation potential of the Index and may not achieve the target volatility. The volatility control mechanism allows the Index to dynamically adjust the level of the hypothetical exposure to the Index Components, depending on the volatility environment. When the Index’s exposure to the Index Components is greater than 100%, any negative performance of the Index Components will be magnified and the level of the Index may decrease significantly. In addition, if the volatility control mechanism causes exposure to the Index Components to be less than 100%, the difference will not be hypothetically invested in Index Components and will earn no hypothetical return. There can also be no assurance that the Index will achieve its target volatility of 7% and the actual realized volatility of the Index may be greater or less than the target volatility, which may affect the level of the Index.

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 different terms. No assurance, representation or warranty is given with respect to the future performance of the Index or that it will achieve its objective. Prices and values of the components, exchange rates and interest can fluctuate and may have an adverse effect on the Index performance.

SIMULATED HISTORICAL PERFORMANCE: All Index Closing Levels between the Index Base Date and the Index Live Date have been determined by reference to historical data and must be considered as simulated and thus purely hypothetical. The methodology and assumptions used to calculate Index Closing Levels prior to the Index Live Date may be different to those applied from the Index Live Date and in the future. While the Index Sponsor views this as 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.

LIMITED ACTUAL HISTORICAL PERFORMANCE: The Index has only been calculated since the Index Live Date and as such there is no actual historical performance data available in respect of it prior to that time. Additionally, there may be only limited historical performance data with respect to the Equity Constituents. As a result, any investment the return of which is linked to the Index or such Equity Constituents may involve greater risk than an exposure linked to indices or strategies with a longer-term track record. In addition, since the Equity Constituents did not exist prior to 11/30/2016, the Benchmark Sponsor and Index Calculation Agent have developed extended simulations based on static baskets of each parent index for the Equity Constituents. For the period from 2011–2016, MSCI, as index sponsor for the Equity Constituents, applied the MSCI Global Select Top 30 Thematic Indexes methodology to the applicable static basket. From 2006–2010, MSCI utilized the applicable parent index level weights (market cap multiplied by the relevance score) instead of the free-float adjusted market cap weights. A constituent cap of 10% was applied throughout this proxy period. Please reach out to the MSCI or the Benchmark Sponsor to obtain additional information.

EQUITY CONSTITUENT UTILIZES NLP: Each of the Equity Components utilizes natural language process (“NLP”) in its methodology for determining the composition of such component. Each Equity Component is constructed by selecting stocks from the eligible universe based on several factors, including the applicable theme, and then using NLP and a set of relevant words developed by MSCI, the business segment names and other publicly sourced business materials for each of the individual companies is scanned. This NLP does not validate the underlying factual accuracy of the content of any such materials or the materiality of any such content to any investor or other person. The Benchmark Sponsor and its Affiliates shall have no responsibility or liability for any incorrect selections or weightings in the Equity Constituents. Please see [Thematic Investing — MSCI](#) for additional information regarding the individual Equity Constituents.

NO GUARANTEE REGARDING THE EQUITY CONSTITUENTS: The strategy of each of the Equity Constituents is to provide exposure to a specific theme within a systematic and quantitative framework; however, it is not guaranteed to be successful. The NLP, which is produced by an algorithm, may not successfully pick the best companies for the applicable specific theme. There is no guarantee that MSCI’s techniques will produce the most successful components for the Equity Constituents. The Equity Constituents may underperform alternative strategies based on similar themes or underlying components.

INDEX NOT DESIGNED BY REFERENCE TO INDIVIDUAL NEEDS: The Index is structured by the Benchmark Sponsor and determined and calculated by the Index Calculation Agent without regard to any other party. Neither the Benchmark Sponsor nor the Index Calculation Agent has any obligation to take the needs of any person into consideration in structuring the Index or revising its methodology, and the Index Calculation Agent does not have any obligation to take the needs of any person into consideration in determining and calculating the Index.

SUSTAINABILITY RISK: The Index does not pursue environmental, social or governance (“ESG”) objectives or take into account ESG factors in its methodology and should not be treated or relied upon as such. The Index is not intended for use in any Financial Product which is labeled, held out as or seeks to pursue ESG objectives or similar. MLI and its Affiliates make no warranty, express or implied, as to the results to be obtained by any person or entity, whether the recipient of the Index or a third party, from its use in any Financial Product which is labeled, held out as or seeks to pursue ESG objectives or similar.

DUTY OF CARE: Subject always to their regulatory obligations and except as may be required by applicable law, neither the Benchmark 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 Benchmark 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 licensing use of the Index in such an instrument or transaction, investing in any such instrument or entering in any such transaction, you must satisfy yourself that you fully understand the Index (including the Index Components) and the risks of such instrument or transaction. You are solely responsible for making an independent appraisal of, and investigation into, the Index (including its Index Components) 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.

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