BofA Destinations Index™

BofA SECURITIES

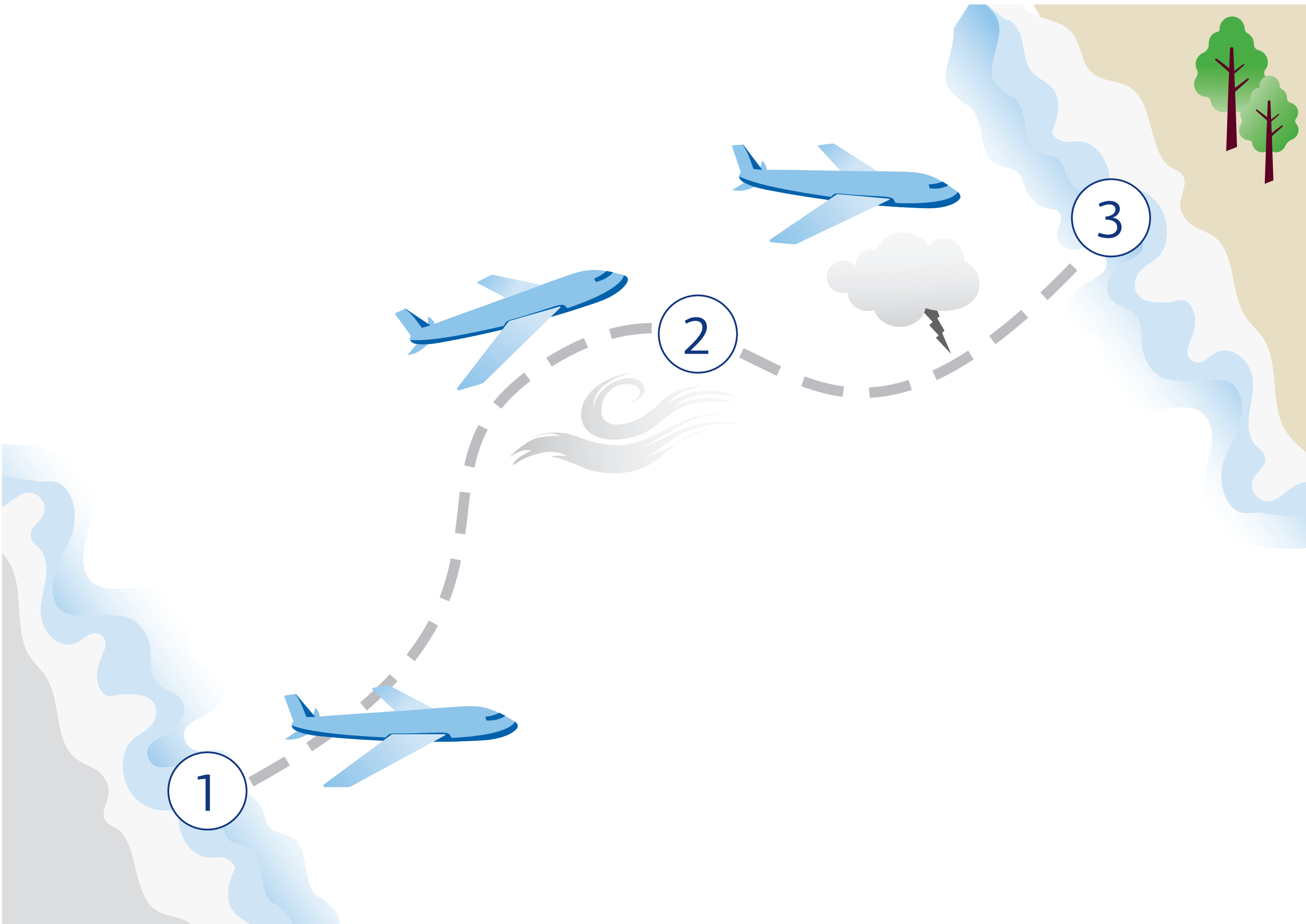
01B1168-01 06.22.20

Welcome to your destination

Careful planning is a valuable first step in any journey. But, it's only the first step. The ability to adapt to changing conditions while staying the course is often the defining characteristic of success. That's why the BofA Destinations Index™ (the "Index") combines the prudence of planning with the agility to tactically adjust weights toward assets that have recently performed the best.

The Index uses a rules-based approach to determine a balanced risk allocation between three asset classes: US equities, US treasuries, and gold. Next, aiming to adapt to current markets, the Index adjusts the weights away from recently underperforming assets toward assets that have recently outperformed. The Index combines two classic asset allocation methods to balance risk, then seek returns.

Strategize for success



1

Set the course

Aims to diversify by using assets that have historically performed better in different market environments. The framework is built from a wealth of academic literature on balanced risk and aims to add diversification benefits.

2

Adapt to conditions

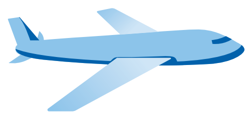
Applies a rules-based algorithm to adjust the weights of the Index with the goal of lower allocations to recently underperforming assets, and higher allocations to outperforming assets.

3

Target volatility

Reduces risk exposure in times of high volatility by allocating up to 100% into non-interest-bearing cash.

Set the course



Diversification is important because markets are unpredictable: Unique assets may behave differently in different stages of the business cycle.

The BofA Destinations Index includes three assets with the goal of stable performance in various market environments. The Index seeks to balance risk across these three assets:

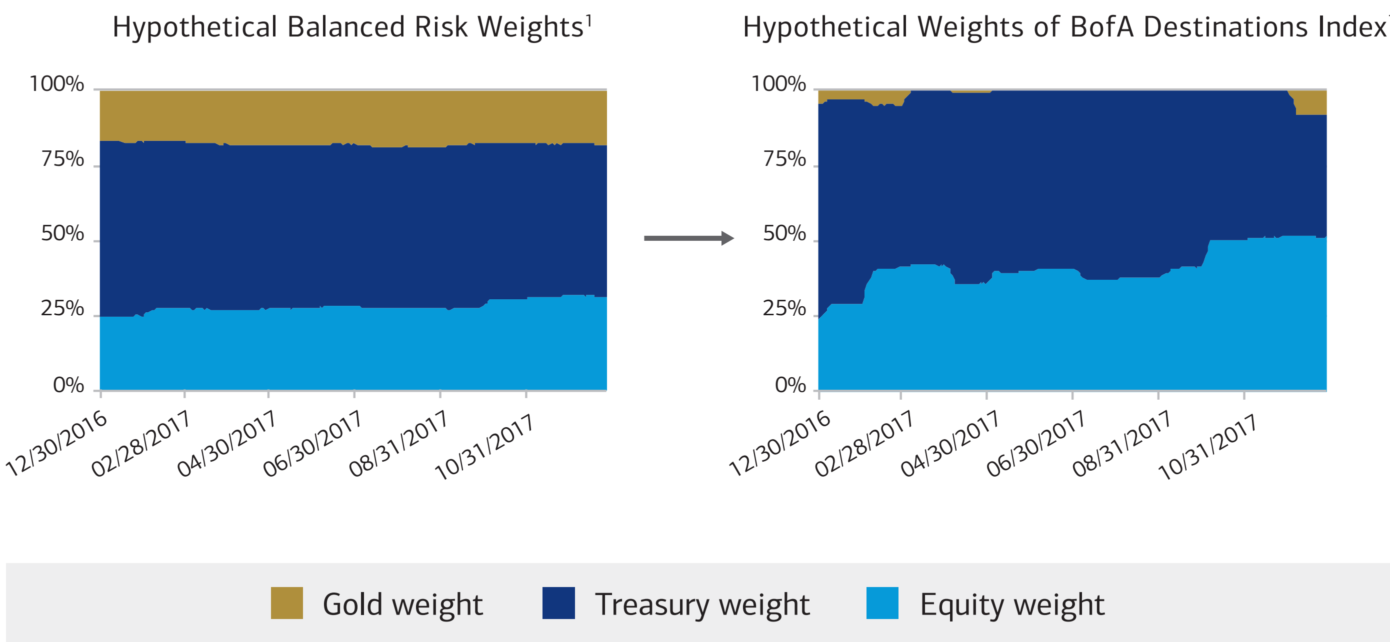
Gold SPGSGCP Index	US Treasuries MLT1US10 Index	US Equities SP5LVIT Index
The S&P GSCI™ Gold Index Excess Return CME represents the price of gold futures. Gold was chosen due to its historical performance during inflationary periods.	The Merrill Lynch 10-year US Treasury Futures™ Index Total Return represents the price of rolling 10-year US Treasury futures. Treasuries are known as a “safe haven” asset due to their historical outperformance during turbulent markets.	The S&P 500® Low Volatility Index represents the 100 lowest volatility stocks in the S&P 500 Index. Domestic stocks are chosen due to their historical growth potential. Within equities, low volatility stocks have historically provided superior risk-adjusted returns.

Each asset has a different “risk” measured by realized volatility. An equally weighted portfolio would not consider unequal asset class risk. Therefore, a single asset may dominate the risk profile of the portfolio. By balancing these risk contributions, the Index aims to provide a broader level of diversification. Balanced risk typically allocates more weight to lower volatility assets, and less weight to higher volatility assets.

Adapt to conditions

Recent performance of assets, or momentum, is a factor often used in investing. The BofA Destinations Index considers past one year performance with the goal of adjusting the weights of the assets away from underperformers and toward outperforming assets.

Constraints are used to “stay on course”: By combining the benefits of the diversification framework with momentum, the Index was designed with the goal of balancing risk, then seeking returns.



These graphs show the comparative Hypothetical Balanced Risk weightings, and the back-tested BofA Destinations Index weighting, of the gold, Treasury, and equity assets in 2017 (12/30/2016 to 12/31/2017).

In 2017, the equity asset (SP5LVIT) was the best performing of the three assets, and returned 17.4%.[1] Throughout the year, the BofA Destinations Index increased equity weight from 23% to 51%.[1] In contrast, the Hypothetical Balanced Risk increased allocation from 24% to 31%.[1]

In 2017, the BofA Destinations Index would have returned 9.9%.[1] The Hypothetical Balanced Risk returned 8.0%.[1]

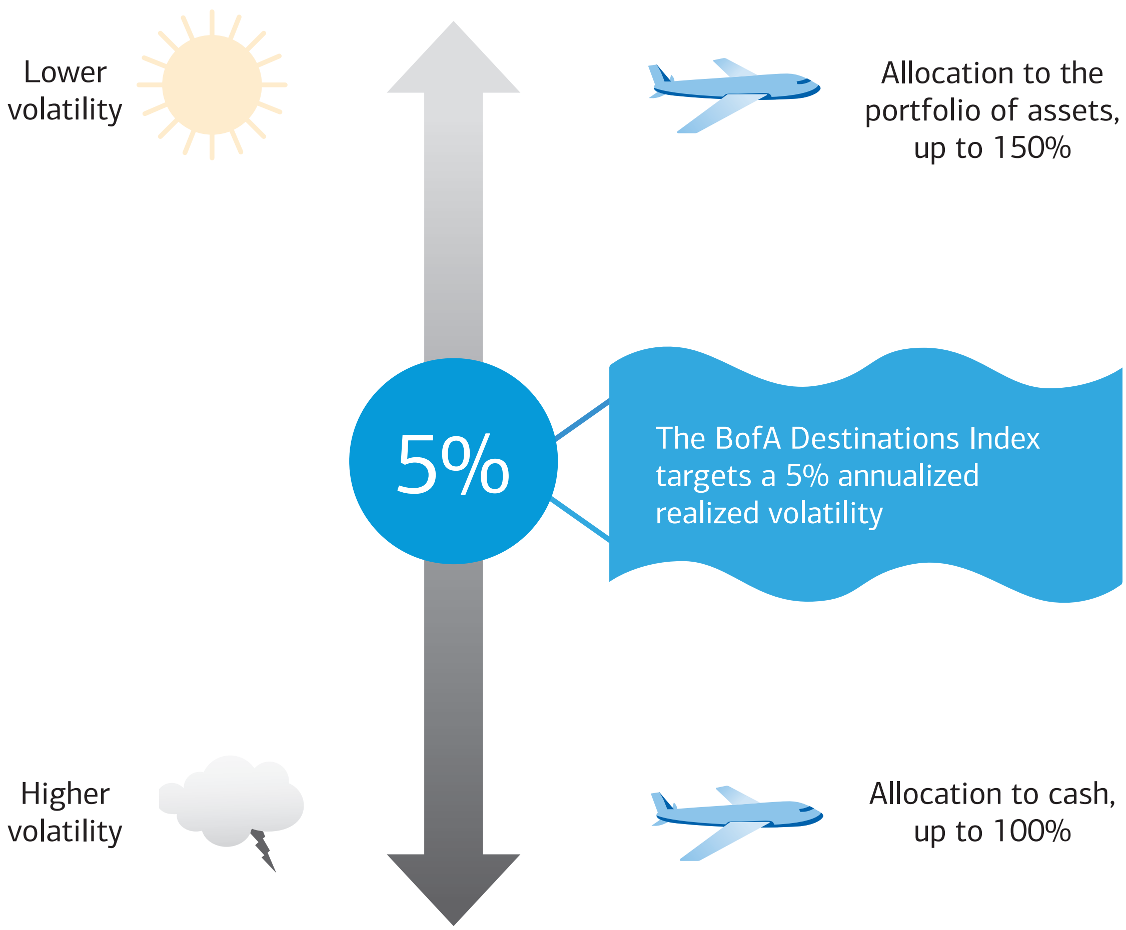
[1]Source: Bloomberg, BofA Securities. Data is from 12/30/2016 to 12/31/2017. The BofA Destinations 5 Index (BOFADST5) was created on 06/04/2020. Levels for the Index before 06/04/2020 represent hypothetical data determined by retroactive application of a back-tested model, itself designed with the benefit 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 does not include fees or costs of any financial instrument referencing the Index.

Target volatility

Higher volatility periods have historically corresponded to negative market performance. Preserving gains matters because when any index falls in value, it takes an even greater percent gain to offset a loss.

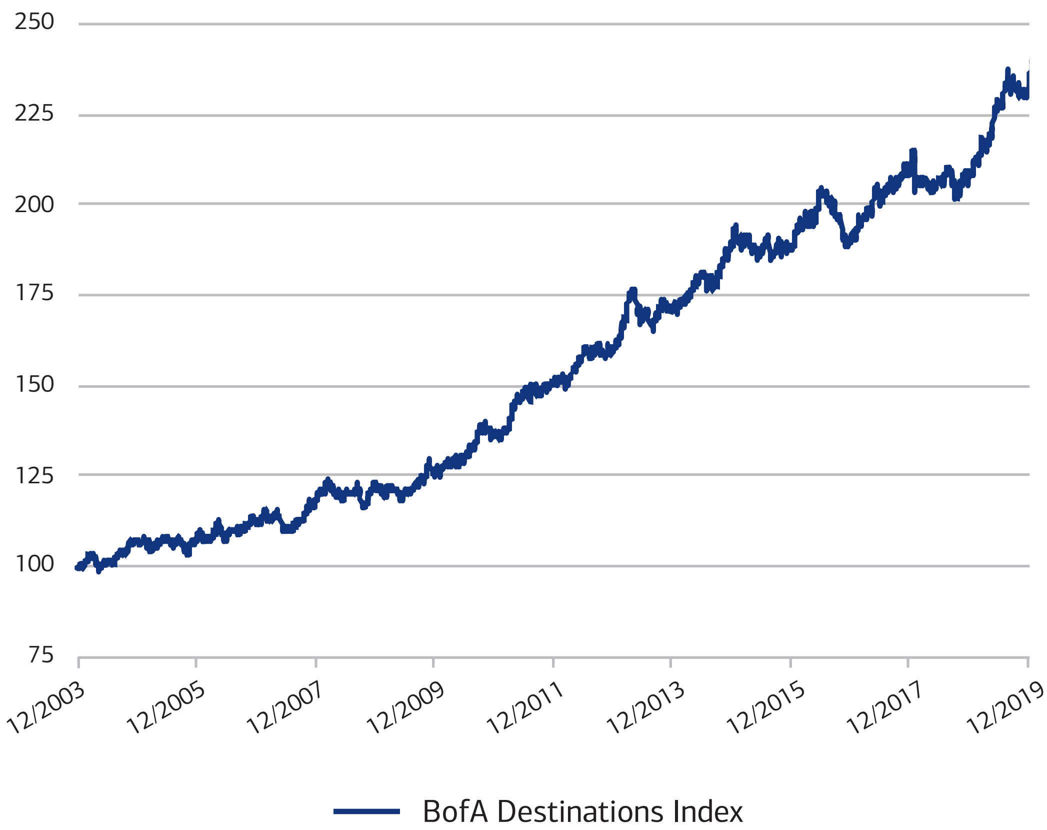
For example, a 35% loss would require a 54% gain to get back to the initial level. Volatility targeting aims to avoid exposure to large sell-offs.

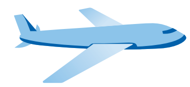
The BofA Destinations Index applies target volatility to control exposure to the underlying assets. When realized volatility increases above the target, the Index moves into non-interest bearing cash with the goal of mitigating losses. When realized volatility moves below the target, the Index may utilize leverage, up to 150%, with the goal of capturing returns.



BofA Destinations Index

Hypothetical back-tested historical performance[2]





5.3% annualized return over the back-tested period[2]

87.5% hit ratio: BofA Destinations Index generated a positive return in 14 of 16 full years since 2004[2]

[2]Source: Bloomberg, BofA Securities. Data is from 12/31/2003 to 12/31/2019. The BofA Destinations 5 Index (BOFADST5) was created on 06/04/2020. Levels for the Index before 06/04/2020 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 does not include fees or costs of any financial instrument referencing the Index.

Risk factors & disclaimers

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.

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EMBEDDED COSTS

The calculation of the Index will incorporate a deduction for embedded costs. These embedded costs are made in order to reduce the costs of entering into any transaction with a net long position in the Index. The embedded costs are deducted from the level of the Index and act as a drag on the Index, therefore reducing the amount of return (if any) on the Index, and the level of the Index must increase by an amount sufficient to offset the embedded costs in order for there to be any return on the Index. The embedded 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 Basket 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.

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