

## ML Strategic Balanced Index

### General Information

ASSET CLASS	Multi-Asset
BLOOMBERG TICKER	MLSB Index
CURRENCY	USD
RETURN TYPE	Total Return
VOLATILITY TARGET	6%
REBALANCING	Semiannually
INDEX FEE	0.50%
BASE DATE	31-Jan-1985
LIVE DATE	Aug-12-2014
INDEX SPONSOR	Merrill Lynch International
INDEX CALCULATION AGENT	S&P

### Index Components

Sector	Index Weight
SPX Index	31%
MLT1US10 Index	118%

As of November 30, 2019

### Index Overview

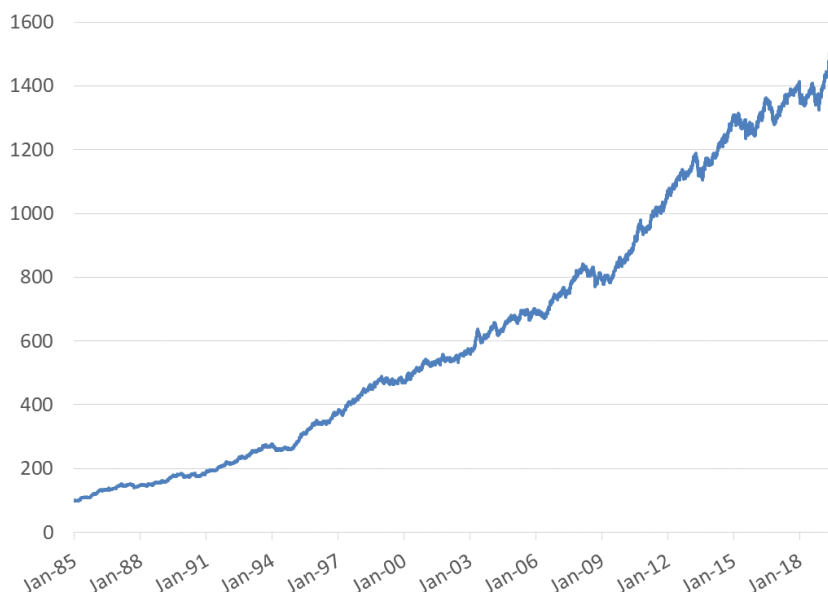
The ML Strategic Balanced Index (the "Index") tracks a rules-based strategy that represents a hypothetical variable investment in a portfolio containing an equity asset (SPX Index) and fixed income asset (MLT1US10).

The relative weights of the two assets within the portfolio are determined semiannually, based on a methodology that is designed to generate equal risk contribution from each asset class. In general, when the equity asset volatility is relatively low, the portfolio allocation shifts towards the equity asset. Conversely, when the equity asset volatility is relatively high, the portfolio allocation shifts towards the fixed income asset.

Each day the Index adjusts its position between the portfolio and cash with a target realized volatility of 6% annualized. The portfolio leverage may fluctuate between 0% and 150% of the Index level. Accordingly, the Index may utilize leverage to amplify the returns of the portfolio. The portion of the Index allocated to cash accrues interest, while a leveraged portion of the Index has interest deducted. In either case, the interest rate used is USD 3-month LIBOR.

### Index Performance

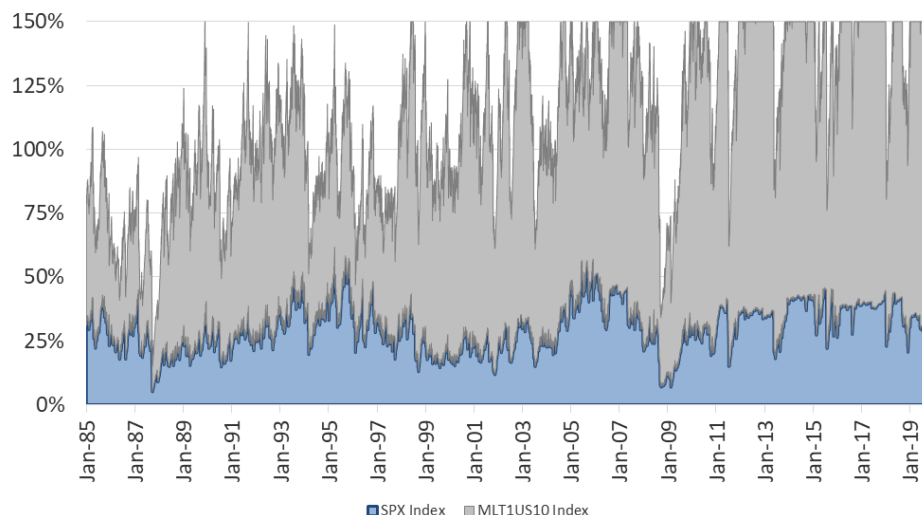
December 31, 2004 to November 30, 2019



Source BofA Securities, Bloomberg: The Index was created on August 12, 2014. Levels for the Index before August 12, 2014 represent 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 does not include fees or costs of any financial instrument referencing the index.

### Historical Index Weights<sup>1</sup>

Source BofA Securities, Bloomberg: (01/31/1985 to 11/30/2019)



### Monthly Historical Performance<sup>1</sup>

Source BofA Securities, Bloomberg: (12/31/2004 to 11/30/2019)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	2.69%	0.28%	2.79%	0.93%	0.22%	3.51%	0.02%	2.91%	-0.73%	0.64%	0.13%		
2018	0.20%	-2.61%	-0.29%	-0.98%	1.85%	-0.01%	0.76%	2.14%	-1.15%	-3.06%	1.51%	-1.18%	-2.93%
2017	0.83%	1.97%	-0.07%	1.36%	1.20%	-0.50%	1.06%	1.20%	-0.75%	0.52%	0.52%	0.39%	7.95%
2016	0.91%	0.75%	2.26%	-0.23%	0.28%	2.80%	1.34%	-1.08%	-0.12%	-1.98%	-2.58%	0.47%	2.73%
2015	2.06%	0.13%	-0.31%	-0.40%	0.06%	-1.96%	1.81%	-3.04%	0.17%	1.87%	-0.69%	-0.98%	-1.41%
2014	0.86%	1.98%	-0.68%	1.00%	2.45%	0.44%	-1.18%	3.05%	-1.70%	2.28%	2.13%	-0.46%	10.52%
2013	0.40%	1.56%	1.57%	1.77%	-2.04%	-2.91%	0.75%	-1.52%	2.29%	2.07%	0.27%	-1.39%	2.68%
2012	2.48%	0.49%	-0.18%	1.99%	-0.15%	0.83%	1.48%	0.78%	0.63%	-1.19%	0.97%	-0.52%	7.82%
2011	0.68%	0.70%	-0.09%	3.02%	1.99%	-1.02%	1.85%	0.06%	-1.21%	2.03%	0.29%	1.50%	10.17%
2010	1.48%	1.47%	0.30%	1.88%	0.12%	0.88%	3.05%	0.89%	2.97%	1.17%	-0.32%	-1.16%	13.39%
2009	-2.40%	-1.61%	3.10%	-0.29%	-0.69%	-0.29%	1.93%	1.64%	1.97%	-0.35%	3.43%	-3.30%	2.92%
2008	0.85%	0.69%	1.24%	-0.98%	-1.11%	-1.20%	0.45%	1.79%	-2.51%	-3.49%	2.38%	1.74%	-0.36%
2007	0.09%	1.00%	0.19%	2.26%	-0.25%	-1.46%	0.56%	2.54%	1.79%	1.45%	2.09%	-0.08%	10.57%
2006	0.60%	-0.21%	-0.58%	0.05%	-1.60%	0.38%	1.33%	2.16%	1.95%	1.76%	1.74%	-0.89%	6.81%
2005	-0.70%	-0.41%	-0.94%	0.89%	2.77%	0.34%	-0.09%	0.95%	-1.26%	-2.30%	1.87%	0.71%	1.74%

### Who We Are

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For more information on the Index please contact us at [dg.mlsb@baml.com](mailto:dg.mlsb@baml.com)

<sup>1</sup>The Index was created on August 12, 2014. Levels and Index Weights for the Index before August 12, 2014 represent 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 does not include fees or costs of any financial instrument referencing the index.

## Selected Risk Factors

### RISK FACTORS

Below is a summary of some of the risks relating to the 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 the Index and should not rely on this Index Rulebook as constituting investment, financial or other advice.

### 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 BofAML group. For example, one team may calculate and publish the level of an Index, while another team within the organization may issue or promote/sell products linked to an 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 an Index is directly or indirectly linked (including any Index Component). Entities within the BofAML 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 an Index Closing Level. No entity within the BofAML group shall have any duty or obligation to take into account any impact in the performance of an 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 an 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 an Index or any transaction relating to an 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 an Index. Such trading may be effected at any time, including on or near determination, setting, resetting or other calculation dates for an 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 may 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 an 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, an Index. These transaction costs may be higher or lower than the actual costs of hedging the exposure to an Index and, if higher, may result in professional investors being in a worse position than if they were to replicate such Index. The embedded transaction costs are deducted from the level of such Index and act as a drag on it, therefore reducing the amount of return on such Index, and the level of such 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. For additional information, please see the applicable Index Rulebook.

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Past performance of an Index is not a reliable guide to future performance and the past performance of an Index may have been determined on terms different to those described herein. No assurance, representation or warranty is given with respect to the future performance of an Index or that it will achieve its objective. Instruments linked to an 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 such 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 applicable Index Closing Level.

### SIMULATED HISTORICAL PERFORMANCE

Index Closing Levels prior to 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 Benchmark Sponsor, reasonable, the use of historical data may result in material differences between the simulated performance of such Index, prior to the Index Live Date, and any subsequent actual performance.

### INTERACTION RISK

The Index Closing Level is based on the performance of different investment types. Different types of financial risk may interact unpredictably on these investments, particularly in times of market stress.

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