

BofA Finance LLC  
Form 424B2  
November 14, 2018

**The information in this preliminary pricing supplement is not complete and may be changed. This preliminary pricing supplement is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

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Registration Statement No. 333-213265**

Subject to Completion. Dated November 14, 2018.

**BofA Finance LLC**

\$

Leveraged Buffered Basket-Linked Notes due

**Fully and Unconditionally Guaranteed by**

**Bank of America Corporation**

**The notes do not bear interest.** The amount that you will be paid on your notes on the stated maturity date (expected to be the second scheduled business day after the determination date) is based on the performance of a weighted basket comprised of the EURO STOXX 50<sup>®</sup> Index (36% weighting), the TOPIX<sup>®</sup> (27% weighting), the FTSE<sup>®</sup> 100 Index (20% weighting), the Swiss Market Index (9% weighting) and the S&P<sup>®</sup>/ASX 200 Index (8% weighting), as measured from the trade date to and including the determination date (expected to be between 28 and 31 months after the trade date). The initial basket level is 100 and the final basket level will equal the sum of the products, as calculated for each basket underlier, of: (i) the final index level divided by (ii) the initial index level (set on the trade date and may be higher or lower than the actual closing level of the basket underlier on the trade date) multiplied by (iii) the applicable initial weighted value for the basket underlier. If the final basket level on the determination date is greater than the initial basket level, the return on your notes will be positive, subject to the maximum settlement amount (expected to be between \$1,392.40 and \$1,460.40 for each \$1,000 face amount of your notes). If the final basket level declines by up to 10.00% from the initial basket level, you will receive the face amount of your notes. **If the final basket level declines by more than 10.00% from the initial basket level, you will be exposed on a leveraged basis to any decrease in the final basket level beyond 10.00%. In this case, the return on your notes will be negative. You may lose some or all of your investment in the notes.**

To determine your payment at maturity, we will calculate the basket return, which is the percentage increase or decrease in the final basket level from the initial basket level. On the stated maturity date, for each \$1,000 face amount of your notes, you will receive an amount in cash equal to:

if the basket return is *positive* (the final basket level is *greater than* the initial basket level), the *sum* of (i) \$1,000 *plus* (ii) the *product* of (a) \$1,000 *times* (b) 4.0 *times* (c) the basket return, subject to the maximum settlement amount;



**agency.**

**BofA Merrill Lynch**

Selling Agent

The price to public and net proceeds listed above relate to the notes we sell initially. We may decide to sell additional notes after the date of this pricing supplement, at prices to public and with underwriting discounts and net proceeds that differ from the amounts set forth above. The return (whether positive or negative) on your investment in notes will depend in part on the price to public you pay for such notes.

MLPF&S and any of our other broker-dealer affiliates may use this pricing supplement in the initial sale of the notes. In addition, MLPF&S and any of our other broker-dealer affiliates may use this pricing supplement in a market-making transaction in a note after its initial sale. ***Unless MLPF&S or any of our other broker-dealer affiliates informs the purchaser otherwise in the confirmation of sale, this pricing supplement is being used in a market-making transaction.***

## About Your Prospectus

The notes are unsecured senior notes issued by BofA Finance, a direct, wholly-owned subsidiary of BAC. Payments on the notes are fully and unconditionally guaranteed by the Guarantor. This prospectus includes this pricing supplement and the accompanying documents listed below. This pricing supplement constitutes a supplement to the documents listed below and should be read in conjunction with those documents:

Product supplement EQUITY-1 dated January 24, 2017:

<https://www.sec.gov/Archives/edgar/data/70858/000119312517016445/d331325d424b5.htm>

Series A MTN prospectus supplement dated November 4, 2016 and prospectus dated November 4, 2016:

<https://www.sec.gov/Archives/edgar/data/70858/000119312516760144/d266649d424b3.htm>

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The information in this pricing supplement supersedes any conflicting information in the documents listed above. In addition, some of the terms or features described in the listed documents may not apply to your notes.

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## Leveraged Buffered Basket-Linked Notes due

### INVESTMENT THESIS

You should be willing to:

forgo gains greater than a Maximum Settlement Amount of between 139.240% and 146.040% of the face amount in exchange for (i) 4.0x leveraged upside participation if the Basket Return is positive and (ii) a buffer against loss of principal in the event of a decline of up to 10.00% in the Final Basket Level relative to the Initial Basket Level. forgo interest payments and accept the risk of losing your entire investment in exchange for the potential to earn 400.00% of any positive Basket Return up to a Maximum Settlement Amount of between 139.240% and 146.040% of the face amount.

Your maximum return on your notes will not be greater than the return represented by the Maximum Settlement Amount, which such return is between 39.240% and 46.040%. You could lose all or a substantial portion of your investment if the Basket Return is less than -10.00%.

### DETERMINING THE CASH SETTLEMENT AMOUNT

At maturity, for each \$1,000 face amount, the investor will receive (in each case as a percentage of the face amount):

if the Final Basket Level is greater than 100.00% of the Initial Basket Level, 100.00% *plus* 400.00% times the Basket Return, subject to a Maximum Settlement Amount of between 139.240% and 146.040%;

if the Final Basket Level is *less than* or *equal to* 100.00% of the Initial Basket Level but *greater than* or *equal to* 90.00% of the Initial Basket Level, 100.00%; or

if the Final Basket Level is less than 90.00% of the Initial Basket Level, 100.00% *minus* approximately 1.11111% for every 1.00% that the Final Basket Level has declined below 90.00% of the Initial Basket Level.

**If the Final Basket Level declines by more than 10.00% from the Initial Basket Level, the return on the notes will be negative, and the investor could lose their entire investment in the notes.**

### KEY TERMS

**Issuer:** BofA Finance LLC (“BofA Finance”)

**Guarantor:** Bank of America Corporation (“BAC”)

**Basket Underliers:** The EURO STOXX 50<sup>®</sup> Index (Bloomberg symbol, “SX5E Index”); the TOPIX<sup>®</sup>(Bloomberg symbol, “TPX Index”); the FTSE<sup>®</sup>100 Index (Bloomberg symbol, “UKX Index”); the Swiss Market Index (Bloomberg symbol, “SMI Index”); and the S&P<sup>®</sup>ASX 200 Index (Bloomberg symbol, “AS51 Index”).

**Face Amount:** \$ in the aggregate; each note will have a face amount equal to \$1,000

**Trade Date:**

**Settlement Date:** Expected to be the fifth scheduled business day following the trade date

**Determination Date:** Expected to be between 28 and 31 months following the trade date

**Stated Maturity Date:** Expected to be the second scheduled business day following the Determination Date

**Initial Weighted Value:** The Initial Weighted Value for each of the Basket Underliers is expected to equal the *product* of the initial weight of that Basket Underlier *times* the Initial Basket Level. The initial weight of each Basket Underlier is shown in the table below:

<b>Basket Underlier</b>	<b>Initial Weight in Basket</b>
EURO STOXX 50 <sup>®</sup> Index	36.00%
TOPIX <sup>®</sup>	27.00%
FTSE <sup>®</sup> 100 Index	20.00%
Swiss Market Index	9.00%
S&P <sup>®</sup> /ASX 200 Index	8.00%

<b>Initial Index Level:</b>	The Initial Index Level of each Basket Underlier will be set on the trade date, and may be higher or lower than its actual closing level on the trade date.
<b>Final Index Level:</b>	The Final Index Level of each Basket Underlier will be its closing level on the Determination Date, subject to the occurrence of certain market disruption events, as described beginning on page PS-8 of this pricing supplement.
<b>Initial Basket Level:</b>	100
<b>Final Basket Level:</b>	The <i>sum</i> of the following: (1) the Final Index Level of the EURO STOXX 50 <sup>®</sup> Index <i>divided</i> by the Initial Index Level of the EURO STOXX 50 <sup>®</sup> Index, <i>multiplied</i> by the Initial Weighted Value of the EURO STOXX 50 <sup>®</sup> Index <i>plus</i> (2) the Final Index Level of the TOPIX <sup>®</sup> <i>divided</i> by the Initial Index Level of the TOPIX <sup>®</sup> , <i>multiplied</i> by the Initial Weighted Value of the TOPIX <sup>®</sup> <i>plus</i> (3) the Final Index Level of the FTSE <sup>®</sup> 100 Index <i>divided</i> by the Initial Index Level of the FTSE <sup>®</sup> 100 Index, <i>multiplied</i> by the Initial Weighted Value of the FTSE <sup>®</sup> 100 Index <i>plus</i> (4) the Final Index Level of the Swiss Market Index <i>divided</i> by the Initial Index Level of the Swiss Market Index, <i>multiplied</i> by the Initial Weighted Value of the Swiss Market Index <i>plus</i> (5) the Final Index Level of the S&P <sup>®</sup> /ASX 200 Index <i>divided</i> by the Initial Index Level of the S&P <sup>®</sup> /ASX 200 Index, <i>multiplied</i> by the Initial Weighted Value of the S&P <sup>®</sup> /ASX 200 Index.
<b>Basket Return:</b>	The <i>quotient</i> of (i) the Final Basket Level <i>minus</i> the Initial Basket Level <i>divided</i> by (ii) the Initial Basket Level, expressed as a positive or negative percentage.
<b>Upside Participation Rate:</b>	400.00%
<b>Buffer Level:</b>	90.00% of the Initial Basket Level (equal to a -10.00% Basket Return)
<b>Buffer Amount:</b>	10.00%
<b>Buffer Rate:</b>	The <i>quotient</i> of the Initial Basket Level <i>divided</i> by the Buffer Level, which equals approximately 111.111%
<b>Maximum Settlement Amount:</b>	Expected to be between \$1,392.40 and \$1,460.40 for each \$1,000 face amount of your notes. The actual Maximum Settlement Amount will be determined on the trade date.
<b>Cap Level:</b>	Expected to be between 109.81% and 111.51% of the Initial Basket Level. The actual Cap Level will be determined on the trade date.
<b>CUSIP/ISIN:</b>	09709TMK4 / US09709TMK42

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**HYPOTHETICAL PAYMENT AT MATURITY\***

<b>Hypothetical Final Basket Level (as % of Initial Basket Hypothetical Cash Settlement Amount (as % of Face Level)</b>	<b>Amount)</b>
140.000%	139.240%
130.000%	139.240%
120.000%	139.240%
110.000%	139.240%
<b>109.810%</b>	<b>139.240%</b>
105.000%	120.000%
104.000%	116.000%
102.000%	108.000%
<b>100.000%</b>	<b>100.000%</b>
95.000%	100.000%
92.000%	100.000%
<b>90.000%</b>	<b>100.000%</b>
85.000%	94.444%
80.000%	88.889%
75.000%	83.333%
50.000%	55.556%
25.000%	27.778%
<b>0.000%</b>	<b>0.000%</b>

\*Assumes a Cap Level set at the bottom of the Cap Level range (expected to be between 109.81% and 111.51% of the Initial Basket Level) and a Maximum Settlement Amount set at the bottom of the Maximum Settlement Amount range (expected to be between 139.240% and 146.040% of the face amount).

**RISKS**

Please read the section entitled “Risk Factors” of this pricing supplement as well as the risks and considerations described in “Risk Factors” beginning on page PS-5 of the accompanying product supplement, page S-4 of the accompanying prospectus supplement, and page 7 of the accompanying prospectus.

## SUMMARY INFORMATION

*We refer to the notes we are offering by this pricing supplement as the “offered notes” or the “notes”. Each of the offered notes has the terms described below. Capitalized terms used but not defined in this pricing supplement have the meanings set forth in the accompanying product supplement, prospectus supplement and prospectus. Unless otherwise indicated or unless the context requires otherwise, all references in this pricing supplement to “we,” “us,” “our,” or similar references are to BofA Finance, and not to BAC (or any other affiliate of BofA Finance).*

*This section is meant as a summary and should be read in conjunction with the accompanying product supplement, prospectus supplement and prospectus. This pricing supplement supersedes any conflicting provisions of the documents listed above.*

### Key Terms

**Issuer:** BofA Finance LLC (“BofA Finance”)

**Guarantor:** Bank of America Corporation (“BAC”)

**Basket Underliers:** The EURO STOXX 50<sup>®</sup> Index (Bloomberg symbol, “SX5E Index”), as published by STOXX Limited (“STOXX”); the TOPIX (Bloomberg symbol, “TPX Index”), as maintained by the Tokyo Stock Exchange, Inc. (“TSE”); the FTSE100 Index (Bloomberg symbol, “UKX Index”), as published by FTSE Russell (“FTSE”); the Swiss Market Index (Bloomberg symbol, “SMI Index”), as published by SIX Group Ltd. (“SIX Group”); and the S&P ASX 200 Index (Bloomberg symbol, “AS51 Index”), as published by S&P Dow Jones Indices LLC (“S&P”); see “The Basket and the Basket Underliers” below.

**Specified Currency:** U.S. dollars (“\$”)

**Face Amount:** Each note will have a face amount of \$1,000; \$ in the aggregate for all the offered notes; the aggregate face amount of the offered notes may be increased if we, at our sole option, decide to sell an additional amount of the offered notes on a date subsequent to the date of this pricing supplement.

**Purchase at Amount Other Than the Face Amount:** The amount we will pay you at the stated maturity date for your notes will not be adjusted based on the price to public you pay for your notes, so if you acquire notes at a premium (or discount) to face amount and hold them to the stated maturity date, it could affect your investment in a number of ways. The return on your investment in such notes will be lower (or higher) than it would have been

had you purchased the notes at face amount. Also, the stated Buffer Level would not offer the same measure of protection to your investment as would be the case if you had purchased the notes at face amount. Additionally, the Cap Level would be triggered at a lower (or higher) percentage return than indicated below, relative to your initial investment. See “Risk Factors — If You Purchase Your Notes at a Premium to Face Amount, the Return on Your Investment Will Be Lower Than the Return on Notes Purchased at Face Amount and the Impact of Certain Key Terms of the Notes Will Be Negatively Affected” on page PS-21 of this pricing supplement.

**Cash  
Settlement  
Amount:**

For each \$1,000 face amount of your notes, we will pay you on the stated maturity date an amount in cash equal to:

if the Final Basket Level is *greater than or equal to* the Cap Level, the Maximum Settlement Amount;

if the Final Basket Level is *less than* the Cap Level but *greater than* the Initial Basket Level, the *sum* of (1) \$1,000 *plus* (2) the *product* of (i) \$1,000 *times* (ii) the Upside Participation Rate *times* (iii) the Basket Return;

if the Final Basket Level is *equal to* or *less than* the Initial Basket Level but *greater than* or *equal to* the Buffer Level, \$1,000; or

if the Final Basket Level is *less than* the Buffer Level, the *sum* of (1) \$1,000 *plus* (2) the product of (i) \$1,000 *times* (ii) the Buffer Rate *times* (iii) the *sum* of the Basket Return *plus* the Buffer Amount. In this case, the cash settlement amount will be less than the face amount of the notes, and you will lose some or all of the face amount.

**Upside Participation Rate:** 400.00%

**Maximum Settlement Amount:** Expected to be between \$1,392.40 and \$1,460.40 per \$1,000 face amount of the notes (to be set on the trade date)

**Cap Level:** Expected to be between 109.81% and 111.51% of the Initial Basket Level (to be set on the trade date)

**Buffer Level:** 90.00% of the Initial Basket Level

**Buffer Amount:** 10.00%

**Buffer Rate:** The *quotient* of the Initial Basket Level *divided* by the Buffer Level, which equals approximately 111.111%

**Trade Date:**

**Original Issue Date (Settlement Date):** Expected to be the fifth scheduled business day following the trade date (to be set on the trade date)

**Determination Date:** A specified date that is expected to be between 28 and 31 months following the trade date (to be set on the trade date), subject to postponement of up to five scheduled trading days, as set forth in the section “Description of the Notes—Certain Terms of the Notes—Events Relating to Calculation Days” of the accompanying product supplement

**Stated Maturity Date:** A specified date that is expected to be the second scheduled business day following the Determination Date (to be set on the trade date), subject to postponement as set forth below and in the section “Description of the Notes—Certain Terms of the Notes—Events Relating to Calculation

Days” of the accompanying product supplement

**Initial Basket Level:**

100

**Initial Weighted Value:**

The Initial Weighted Value for each of the Basket Underliers is expected to equal the product of the initial weight of that Basket Underlier times the Initial Basket Level. The initial weight of each Basket Underlier is shown in the table below:

<b>Basket Underlier</b>	<b>Initial Weight in Basket</b>	<b>Initial Index Level</b>
EURO STOXX 50 <sup>®</sup> Index	36%	
TOPIX <sup>®</sup>	27%	
FTSE <sup>®</sup> 100 Index	20%	
Swiss Market Index	9%	
S&P <sup>®</sup> /ASX 200 Index	8%	

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**Initial Index Level:**

The closing level or an intraday level of each Basket Underlier on the trade date, as determined by the calculation agent in its sole discretion and which may be higher or lower than the actual closing level of that Basket Underlier on the trade date.

**Final Index Level:**

The closing level of each Basket Underlier on the Determination Date, except in the limited circumstances described under “—Market Disruption Events” below and “Description of the Notes—Certain Terms of the Notes—Events Relating to Calculation Days,” “—Adjustments to an Index” and “—Discontinuance of an Index” in the accompanying product supplement.

**Final Basket Level:**

The *sum* of the following: (1) the Final Index Level of the EURO STOXX 50<sup>®</sup> Index *divided* by the Initial Index Level of the EURO STOXX 50<sup>®</sup> Index, *multiplied* by the Initial Weighted Value of the EURO STOXX 50<sup>®</sup> Index *plus* (2) the Final Index Level of the TOPIX<sup>®</sup> *divided* by the Initial Index Level of the TOPIX<sup>®</sup>, *multiplied* by the Initial Weighted Value of the TOPIX<sup>®</sup> *plus* (3) the Final Index Level of the FTSE<sup>®</sup> 100 Index *divided* by the Initial Index Level of the FTSE<sup>®</sup> 100 Index, *multiplied* by the Initial Weighted Value of the FTSE<sup>®</sup> 100 Index *plus* (4) the Final Index Level of the Swiss Market Index *divided* by the Initial Index Level of the Swiss Market Index, *multiplied* by the Initial Weighted Value of the Swiss Market Index *plus* (5) the Final Index Level of the S&P<sup>®</sup>/ASX 200 Index *divided* by the Initial Index Level of the S&P<sup>®</sup>/ASX 200 Index, *multiplied* by the Initial Weighted Value of the S&P<sup>®</sup>/ASX 200 Index.

**Closing Level of the Basket Underliers:**

The closing level of a Basket Underlier on any trading day will be the official closing level of that Basket Underlier or any successor index (as defined in the accompanying product supplement) on any trading day for the that Basket Underlier, published by the corresponding Basket Underlier Sponsor on such trading day for such underlier.

**Basket Return:**

The *quotient* of (1) the Final Basket Level *minus* the Initial Basket Level *divided* by (2) the Initial Basket Level, expressed as a positive or negative percentage

**Market Disruption Events:**

The following replaces in its entirety the section entitled “Description of the Notes—Market Disruption Events—Indices” in the accompanying product supplement:

With respect to any given trading day, any of the following will be a Market Disruption Event with respect to a Basket Underlier:

a suspension, absence or material limitation of trading in Basket Underlier Stocks (as defined below) constituting 20% or more, by weight, of that Basket Underlier on their respective primary markets, in each case for more than two consecutive hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion,

a suspension, absence or material limitation of trading in option or futures contracts, if available, relating to that Basket Underlier or to Basket Underlier Stocks constituting 20% or more, by weight, of that Basket Underlier in their respective primary markets for those contracts, in each case for more than two consecutive hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion, or

Basket Underlier Stocks constituting 20% or more, by weight, of that Basket Underlier, or option or futures contracts, if available, relating to that Basket Underlier or to Basket Underlier Stocks constituting 20% or more, by weight, of that Basket Underlier do not trade on what were the respective primary markets for those Basket Underlier Stocks or contracts, as determined by the calculation agent in its sole discretion,

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and, in the case of any of these events, the calculation agent determines in its sole discretion that the event could materially interfere with the ability of us or any of our affiliates or a similarly situated party to unwind all or a material portion of a hedge that could be effected with respect to the notes. For more information about hedging by us and/or any of our affiliates, see “Supplemental Use of Proceeds” on page PS-16 of product supplement EQUITY-1.

The following events will not be Market Disruption Events with respect to the Basket Underliers:

- a limitation on the hours or numbers of days of trading, but only if the limitation results from an announced change in the regular business hours of the relevant market, and

- a decision to permanently discontinue trading in the option or futures contracts relating to a Basket Underlier or to any Basket Underlier Stock.

For this purpose, an “absence of trading” in the primary securities market on which a Basket Underlier Stock, or on which option or futures contracts, if available, relating to a Basket Underlier or to any Basket Underlier Stock are traded will not include any time when that market is itself closed for trading under ordinary circumstances. In contrast, a suspension or limitation of trading in a Basket Underlier Stock or in option or futures contracts, if available, relating to a Basket Underlier or to any Basket Underlier Stock in the primary market for that stock or those contracts, by reason of:

- a price change exceeding limits set by that market,

- an imbalance of orders relating to that Basket Underlier Stock or those contracts, or

- a disparity in bid and ask quotes relating to that Basket Underlier Stock or those contracts,

will constitute a suspension or material limitation of trading in the Basket Underliers or those contracts in that market.

If a Market Disruption Event occurs or is continuing with respect to a Basket Underlier on the Determination Date, the calculation agent will postpone the determination of the Final Index Level for that Basket Underlier up to five scheduled trading days, but will determine the Final Index Level for any other Basket Underlier for which a Market Disruption Event does not occur on the originally scheduled Determination Date. If the Determination Date is postponed due to a Market Disruption Event, the payment due at maturity may be postponed by the same number of business days, as set forth in the section “Description of the Notes—Certain Terms of the Notes—Events Relating to Calculation Days” of the accompanying product supplement.

**Business Day:**



As described under “Description of the Notes—Certain Terms of the Notes—Business Days” in the accompanying product supplement

**Trading Day:** (i) with respect to the EURO STOXX 50<sup>®</sup> Index, a day on which the EURO STOXX 50<sup>®</sup> Index is scheduled to be calculated and published by the Basket Underlier Sponsor and (ii) with respect to each other Basket Underlier, a day on which (a) the respective principal securities markets for all of the Basket Underlier Stocks that comprise such Basket Underlier are open for trading, (b) the Basket Underlier Sponsor for such Basket Underlier is open for business and (c) such Basket Underlier is calculated and published by the applicable Basket Underlier Sponsor

**No Listing:** The notes will not be listed on any securities exchange or interdealer quotation system

**No Interest:** The notes do not bear interest

**No Redemption:** The notes will not be subject to any optional redemption right or price dependent redemption right

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**Events of Default:**

If an Event of Default, as defined in the Senior Indenture and in the section entitled “Events of Default and Rights of Acceleration” beginning on page 35 of the accompanying prospectus, with respect to the notes occurs and is continuing, the amount payable to a holder of the notes upon any acceleration permitted under the Senior Indenture will be equal to the amount described under the caption “—Cash Settlement Amount,” calculated as though the date of acceleration were the maturity date of the notes and as though the determination date were the second trading day prior to the date of acceleration. In case of a default in the payment of the notes, the notes will not bear a default interest rate.

**Calculation Agent:**

MLPF&S, an affiliate of BofA Finance. See “Supplemental Plan of Distribution—Conflicts of Interest” on page PS-45 of this pricing supplement.

**Selling Agent:**

MLPF&S, an affiliate of BofA Finance. See “Supplemental Plan of Distribution—Conflicts of Interest” on page PS-45 of this pricing supplement.

**CUSIP/ISIN:**

09709TMK4 / US09709TMK42

The initial estimated value of the notes as of the date of this pricing supplement is set forth on the cover page of this pricing supplement. The final pricing supplement will set forth the initial estimated value of the notes as of the trade date.

**Initial Estimated Value:**

Payments on the notes, including the Maximum Settlement Amount, depend on the credit risk of BofA Finance and BAC and on the performance of the Basket. The economic terms of the notes are based on BAC’s internal funding rate, which is the rate it would pay to borrow funds through the issuance of market-linked notes and the economic terms of certain related hedging arrangements it enters into. BAC’s internal funding rate is typically lower than the rate it would pay when it issues conventional fixed or floating rate debt securities. This difference in funding rate, as well as the hedging related charges described below, will reduce the economic terms of the notes to you and the initial estimated value of the notes. Due to these factors, the public offering price you pay to purchase the notes will be greater than the initial estimated value of the notes as of the trade date.

For more information about the initial estimated value and the structuring of the notes, see “Risk Factors” beginning on page PS-18 and “Structuring the Notes” on page PS-47.

*The trade date, issue date and other dates set forth above are subject to change, and will be set forth in the final pricing supplement relating to the notes.*

**Supplemental Terms of the Notes**

For purposes of the notes offered by this pricing supplement, all references to each of the following terms used in the accompanying product supplement will be deemed to refer to the corresponding term used in this pricing supplement, as set forth in the table below:

<b>Product Supplement Term</b>	<b>Pricing Supplement Term</b>
pricing date	trade date
maturity date	stated maturity date
calculation day	Determination Date
principal amount	face amount
Market Measure	Basket Underlier
Index	Basket Underlier
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## HYPOTHETICAL EXAMPLES

The following table, examples and chart are provided for purposes of illustration only. They should not be taken as an indication or prediction of future investment results and merely are intended to illustrate the impact that the various hypothetical Final Index Levels, as applicable, on the Determination Date could have on the Cash Settlement Amount at maturity assuming all other variables remain constant.

The examples below are based on a range of Final Basket Levels and Final Index Levels that are entirely hypothetical; the level of the Basket on any day throughout the life of the notes, including the Final Basket Level on the Determination Date, cannot be predicted. The Basket Underliers have been highly volatile in the past — meaning that the level of each Basket Underlier has changed considerably in relatively short periods — and their performances cannot be predicted for any future period.

The information in the following examples reflects hypothetical rates of return on the offered notes assuming that they are purchased on the original issue date at the face amount and held to the stated maturity date. If you sell your notes in a secondary market prior to the stated maturity date, your return will depend upon the market value of your notes at the time of sale, which may be affected by a number of factors that are not reflected in the table below, such as interest rates, the volatility of the Basket Underliers, the creditworthiness of BofA Finance, as issuer, and the creditworthiness of BAC, as guarantor. In addition, the initial estimated value of your notes at the time the terms of your notes are set on the trade date (as determined by reference to pricing models used by us and our affiliates) is less than the original price to public of your notes. For more information on the estimated value of your notes, see “Risk Factors — The Public Offering Price You Pay for the Notes Will Exceed Their Initial Estimated Value” on page PS-19 of this pricing supplement. The information in the table also reflects the key terms and assumptions in the box below.

### Key Terms and Assumptions

Face Amount	\$1,000
Upside Participation Rate	400.00%
Initial Basket Level	100
Cap Level	109.81% of the Initial Basket Level
Maximum Settlement Amount	\$1,392.40 per note
Buffer Level	90.00% of the Initial Basket Level
Buffer Rate	Approximately 111.111%
Buffer Amount	10.00%

Neither a Market Disruption Event nor a non-trading day occurs on the originally scheduled Determination Date, and the Basket Underliers are not discontinued on or prior to such date

No change in or affecting any of the stocks included in the Basket Underliers (the “Basket Underlier Stocks”) or the method by which the Basket Underlier Sponsors calculate the Basket Underliers

Notes purchased on original issue date at the face amount and held to the stated maturity date

Moreover, we have not yet set the Initial Index Levels of the Basket Underliers that will serve as the baselines for determining the Basket Return and the amount that we will pay on your notes, if any, at maturity. We will not do so until the trade date. As a result, the actual Initial Index Level of a Basket Underlier may differ substantially from its level prior to the trade date and may be higher or lower than the actual closing level of that Basket Underlier on the trade date.

For these reasons, the actual performance of the Basket over the life of your notes, as well as the amount payable at maturity, if any, may bear little relation to the hypothetical examples shown below or to the historical levels of the Basket Underliers shown elsewhere in this pricing supplement. For information about the historical levels of the Basket Underliers during recent periods, see “The Basket and the Basket Underliers” below. Before investing in the offered notes, you should consult publicly available information to determine the levels of the Basket Underliers between the date of this pricing supplement and the date of your purchase of the offered notes.

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Also, the hypothetical examples shown below do not take into account the effects of applicable taxes. Because of the U.S. tax treatment applicable to your notes, tax liabilities could affect the after-tax rate of return on your notes to a comparatively greater extent than the after-tax return on the Basket Underlier Stocks.

The levels in the left column of the table below represent hypothetical Final Basket Levels and are expressed as percentages of the Initial Basket Level. The amounts in the right column represent the hypothetical Cash Settlement Amounts, based on the corresponding hypothetical Final Basket Level, and are expressed as percentages of the face amount of a note (rounded to the nearest one-thousandth of a percent). Thus, a hypothetical Cash Settlement Amount of 100.000% means that the value of the cash payment that we would deliver for each \$1,000 of the outstanding face amount of the offered notes on the stated maturity date would equal 100.000% of the face amount of a note, based on the corresponding hypothetical Final Basket Level and the assumptions noted above.

<b>Hypothetical Final Basket Level</b>	<b>Hypothetical Cash Settlement Amount</b>
<b>(as Percentage of Initial Basket Level)</b>	<b>(as Percentage of Face Amount)</b>
140.000%	139.240%
130.000%	139.240%
120.000%	139.240%
110.000%	139.240%
<b>109.810%</b>	<b>139.240%</b>
105.000%	120.000%
104.000%	116.000%
102.000%	108.000%
<b>100.000%</b>	<b>100.000%</b>
96.000%	100.000%
92.000%	100.000%
<b>90.000%</b>	<b>100.000%</b>
85.000%	94.444%
80.000%	88.889%
75.000%	83.333%
50.000%	55.556%
25.000%	27.778%
<b>0.000%</b>	<b>0.000%</b>

If, for example, the Final Basket Level were determined to be 25.000% of the Initial Basket Level, the Cash Settlement Amount that we would deliver on your notes at maturity would be approximately 27.778% of the face amount of your notes (which would be equal to a Cash Settlement Amount of approximately \$277.78), as shown in the table above. As a result, if you purchased your notes on the original issue date at the face amount and held them to the stated maturity date, you would lose approximately 72.222% of your investment (if you purchased your notes at a premium to face amount you would lose a correspondingly higher percentage of your investment). If the Final Basket Level were determined to be 0.000% of the Initial Basket Level, you would lose your entire investment in the notes. In addition, if the Final Basket Level were determined to be 140.000% of the Initial Basket Level, the Cash Settlement

Amount that we would deliver on your notes at maturity would be capped at the Maximum Settlement Amount of \$1,392.40, or 139.240% of each \$1,000 face amount of your notes, as shown in the table above. As a result, if you held your notes to the stated maturity date, you would not benefit from any increase in the Final Basket Level of greater than 109.810% of the Initial Basket Level.

The following chart shows a graphical illustration of the hypothetical Cash Settlement Amounts that we would pay on your notes on the stated maturity date, if the Final Basket Level were any of the hypothetical levels shown on the horizontal axis. The hypothetical Cash Settlement Amounts in the chart are expressed as percentages of the face amount of your notes and the hypothetical Final Basket Levels are expressed as percentages of the Initial Basket Level. The chart shows that any hypothetical Final Basket Level of less than 90.000% (the section left of the 90.000% marker on the horizontal axis) would result in a hypothetical Cash Settlement Amount of less than 100.000% of the face amount of your notes (the section below the 100.000% marker on the vertical axis) and, accordingly, in a loss of principal to the holder of the notes. The chart also shows that any hypothetical Final Basket Level of greater than or equal to 109.810% of the Initial Basket Level (the section right of the 109.810% marker on the horizontal axis) would result in a capped return on your investment.

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The examples on the following pages illustrate the hypothetical Cash Settlement Amount at maturity based on

hypothetical Final Index Levels of each Basket Underlier, calculated based on the key terms and assumptions above. The hypothetical Initial Index Level for each Basket Underlier of 100.00 has been chosen for illustrative purposes only and does not represent a likely Initial Index Level for that Basket Underlier. For historical data regarding the actual closing levels of the Basket Underliers, please see the historical information set forth below under “The Basket and the Basket Underliers.”

The levels in Column A represent the hypothetical Initial Index Levels for each Basket Underlier, and the levels in Column B represent the hypothetical Final Index Levels for each Basket Underlier. The percentages in Column C represent the hypothetical Final Index Levels in Column B expressed as percentages of the corresponding hypothetical Initial Index Levels in Column A. The amounts in Column D represent the applicable Initial Weighted Value for each Basket Underlier, and the amounts in Column E represent the *products* of the percentages in Column C *times* the corresponding amounts in Column D. The Final Basket Level for each example is shown beneath each example, and will equal the *sum* of the five products shown in Column E. The Basket Return for each example is shown beneath the Final Basket Level for such example, and will equal the *quotient* of (i) the Final Basket Level for such example *minus* the Initial Basket Level *divided* by (ii) the Initial Basket Level, expressed as a percentage. The numbers shown below may have been rounded for ease of analysis.

**Example 1: The Final Basket Level is greater than the Cap Level. The Cash Settlement Amount equals the Maximum Settlement Amount.**

Basket Underlier	Column A Hypothetical Initial Index Level	Column B Hypothetical Final Index Level	Column C Column B / Column A	Column D Initial Weighted Value	Column E Column C x Column D
EURO STOXX 50® Index	100.00	135.00	135.00%	36.00	48.60
TOPIX®	100.00	135.00	135.00%	27.00	36.45
FTSE® 100 Index	100.00	130.00	130.00%	20.00	26.00
Swiss Market Index	100.00	180.00	180.00%	9.00	16.20
S&P®/ASX 200 Index	100.00	180.00	180.00%	8.00	14.40
			<b>Final Basket Level</b>		141.65
			<b>Basket Return</b>		41.65%



In this example, all of the hypothetical Final Index Levels for the Basket Underliers are greater than the applicable hypothetical Initial Index Levels, which results in the hypothetical Final Basket Level being greater than the Initial Basket Level of 100.00. Since the hypothetical Final Basket Level is greater than the hypothetical Cap Level, the hypothetical Cash Settlement Amount that we would deliver on your notes at maturity would be capped at the Maximum Settlement Amount of \$1,392.40 for each \$1,000 face amount of your notes (i.e., 139.240% of each \$1,000 face amount of your notes).

**Example 2: The Final Basket Level is greater than the Initial Basket Level but less than the Cap Level.**

Basket Underlier	Column A Hypothetical Initial Index Level	Column B Hypothetical Final Index Level	Column C Column B / Column A	Column D Initial Weighted Value	Column E Column C x Column D
EURO STOXX 50 <sup>®</sup> Index	100.00	101.00	101.00%	36.00	36.36
TOPIX <sup>®</sup>	100.00	102.00	102.00%	27.00	27.54
FTSE <sup>®</sup> 100 Index	100.00	103.00	103.00%	20.00	20.60
Swiss Market Index	100.00	125.00	125.00%	9.00	11.25
S&P <sup>®</sup> /ASX 200 Index	100.00	150.00	150.00%	8.00	12.00
			<b>Final Basket Level</b>		107.75
			<b>Basket Return</b>		7.75%

In this example, all of the hypothetical Final Index Levels for the Basket Underliers are greater than the applicable hypothetical Initial Index Levels, which results in the hypothetical Final Basket Level being greater than the Initial Basket Level of 100.00. Since the hypothetical Final Basket Level is less than the hypothetical Cap Level, the hypothetical Cash Settlement Amount for each \$1,000 face amount of your notes will equal:

$$\text{Cash Settlement Amount} = \$1,000 + (\$1,000 \times 400.00\% \times 7.75\%) = \$1,310.00$$

**Example 3: The Final Basket Level is less than the Initial Basket Level but greater than the Buffer Level. The Cash Settlement Amount equals the \$1,000 face amount.**

Basket Underlier	Column A Hypothetical Initial Index Level	Column B Hypothetical Final Index Level	Column C Column B / Column A	Column D Initial Weighted Value	Column E Column C x Column D
EURO STOXX 50 <sup>®</sup> Index	100.00	95.00	95.00%	36.00	34.20

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TOPIX®	100.00	95.00	95.00%	27.00	25.65
FTSE® 100 Index	100.00	95.00	95.00%	20.00	19.00
Swiss Market Index	100.00	95.00	95.00%	9.00	8.55
S&P®/ASX 200 Index	100.00	95.00	95.00%	8.00	7.60
				<b>Final Basket Level</b>	95.00
				<b>Basket Return</b>	-5.00%

In this example, all of the hypothetical Final Index Levels for the Basket Underliers are less than the applicable Initial Index Levels, which results in the hypothetical Final Basket Level being less than the Initial Basket Level of 100.00. Since the hypothetical Final Basket Level of 95.00 is greater than the Buffer Level of 90.00% of the Initial Basket Level but less than the Initial Basket Level of 100.00, the hypothetical Cash Settlement Amount for each \$1,000 face amount of your notes will equal the face amount of the note, or \$1,000.

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**Example 4: The Final Basket Level is less than the Buffer Level. The Cash Settlement Amount is less than the \$1,000 face amount.**

<b>Basket Underlier</b>	<b>Column A Hypothetical Initial Index Level</b>	<b>Column B Hypothetical Final Index Level</b>	<b>Column C Column B / Column A</b>	<b>Column D Initial Weighted Value</b>	<b>Column E Column C x Column D</b>
EURO STOXX 50® Index	100.00	50.00	50.00%	36.00	18.00
TOPIX®	100.00	100.00	100.00%	27.00	27.00
FTSE® 100 Index	100.00	80.00	80.00%	20.00	16.00
Swiss Market Index	100.00	135.00	135.00%	9.00	12.15
S&P®/ASX 200 Index	100.00	135.00	135.00%	8.00	10.80
			<b>Final Basket Level</b>		83.95
			<b>Basket Return</b>		-16.05%

In this example, the hypothetical Final Index Level of each of the EURO STOXX 50® Index and the FTSE® 100 Index is less than its respective hypothetical Initial Index Level, while the hypothetical Final Index Level of the TOPIX® is equal to its hypothetical Initial Index Level and the hypothetical Final Index Levels of the Swiss Market Index and S&P®/ASX 200 Index are greater than their respective Initial Index Levels.

Because the Basket is unequally weighted, increases in the lower weighted Basket Underliers will be offset by decreases in the more heavily weighted Basket Underliers. In this example, the large declines in the EURO STOXX 50® Index and the FTSE® 100 Index result in the hypothetical Final Basket Level being less than the Buffer Level of 90.00% of the Initial Basket Level even though the TOPIX® remained flat and the Swiss Market Index and the S&P®/ASX 200 Index increased.

Since the hypothetical Final Basket Level of 83.95 is less than the Buffer Level of 90.00% of the Initial Basket Level, the hypothetical Cash Settlement Amount for each \$1,000 face amount of your notes will equal:

$$\text{Cash Settlement Amount} = \$1,000 + (\$1,000 \times 111.11\% \times (-16.05\% + 10.00\%)) = \$932.78$$

**Example 5: The Final Basket Level is less than the Buffer Level. The Cash Settlement Amount is less than the \$1,000 face amount.**

<b>Basket Underlier</b>	<b>Column A Hypothetical Initial Index Level</b>	<b>Column B Hypothetical Final Index Level</b>	<b>Column C Column B / Column A</b>	<b>Column D Initial Weighted Value</b>	<b>Column E Column C x Column D</b>
EURO STOXX 50® Index	100.00	50.00	50.00%	36.00	18.00
TOPIX®	100.00	60.00	60.00%	27.00	16.20
FTSE® 100 Index	100.00	60.00	60.00%	20.00	12.00
Swiss Market Index	100.00	65.00	65.00%	9.00	5.85
S&P®/ASX 200 Index	100.00	55.00	55.00%	8.00	4.40
			<b>Final Basket Level</b>		56.45
			<b>Basket Return</b>		-43.55%

In this example, the hypothetical Final Index Levels for all of the Basket Underliers are less than the applicable hypothetical Initial Index Levels, which results in the hypothetical Final Basket Level being less than the Initial Basket Level of 100.00. Since the hypothetical Final Basket Level of 56.45 is less than the Buffer Level of 90.00% of the Initial Basket Level, the hypothetical Cash Settlement Amount for each \$1,000 face amount of your notes will equal:

$$\text{Cash Settlement Amount} = \$1,000 + (\$1,000 \times 111.11\% \times (-43.55\% + 10.00\%)) = \$627.22$$

The Cash Settlement Amounts shown above are entirely hypothetical; they are based on levels of the Basket Underliers that may not be achieved on the Determination Date and on assumptions that may prove to be erroneous. The actual market value of your notes on the stated maturity date or at any other time, including any time you may wish to sell your notes, may bear little relation to the hypothetical Cash Settlement Amounts shown above, and these amounts should not be viewed as an indication of the financial return on an investment in the offered notes. The hypothetical Cash Settlement Amounts on notes held to the stated maturity date in the examples above assume you purchased your notes at their face amount and have not been adjusted to reflect the actual price to public you pay for your notes. The return on your investment (whether positive or negative) in your notes will be affected by the amount you pay for your notes. If you purchase your notes for a price other than the face amount, the return on your investment will differ from, and may be significantly lower than, the hypothetical returns suggested by the above examples. Please read “Risk Factors — If You Purchase Your Notes at a Premium to Face Amount, the Return on Your Investment Will Be Lower Than the Return on Notes Purchased at Face Amount and the Impact of Certain Key Terms of the Notes Will Be Negatively Affected” below.

Payments on the notes are economically equivalent to the amounts that would be paid on a combination of other instruments. For example, payments on the notes are economically equivalent to a combination of an interest-bearing bond bought by the holder and one or more options entered into between the holder and us (with one or more implicit option premiums paid over time). The discussion in this paragraph does not modify or affect the terms of the notes or the U.S. federal income tax treatment of the notes, as described elsewhere in this pricing supplement.

*We cannot predict the actual Final Basket Level or what the market value of your notes will be on any particular trading day, nor can we predict the relationship between the level of each Basket Underlier and the market value of your notes at any time prior to the stated maturity date. The actual amount that you will receive, if any, at maturity and the rate of return on the offered notes will depend on the actual Initial Index Level of each Basket Underlier, the Cap Level and the Maximum Settlement Amount, which we will set on the trade date, and the actual Basket Return determined by the calculation agent as described above. Moreover, the assumptions on which the hypothetical returns are based may turn out to be inaccurate. Consequently, the amount of cash to be paid in respect of your notes, if any, on the stated maturity date may be very different from the information reflected in the examples and chart above.*

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## **RISK FACTORS**

*An investment in your notes is subject to the risks described below, as well as the risks and considerations described in the accompanying prospectus, prospectus supplement and product supplement. You should carefully review these risks and considerations as well as the terms of the notes described herein and in the accompanying prospectus, prospectus supplement and product supplement. Your notes are a riskier investment than ordinary debt securities. Also, your notes are not equivalent to investing directly in the Basket Underlier Stocks, i.e., with respect to a Basket Underlier to which your stocks are linked, the stocks comprising such Basket Underlier. You should carefully consider whether the offered notes are suited to your particular circumstances.*

### **You May Lose Your Entire Investment in the Notes**

You can lose your entire investment in the notes. The cash payment on your notes, if any, on the stated maturity date will be based on the performance of the Basket as measured from the Initial Basket Level to the Final Basket Level on the Determination Date. If the Final Basket Level is *less than* the Buffer Level, you will have a loss for each \$1,000 of the face amount of your notes equal to the *product* of (i) the Buffer Rate *times* (ii) the *sum* of the Basket Return *plus* the Buffer Amount *times* (iii) \$1,000. Thus, you will be exposed on a leveraged basis to any decrease in the Final Basket Level beyond the Buffer Amount, and the return on your investment will be negative. You may lose your entire investment in the notes, which would include any premium to face amount you paid when you purchased the notes.

Also, the market price of your notes prior to the stated maturity date may be significantly lower than the purchase price you pay for your notes. Consequently, if you sell your notes before the stated maturity date, you may receive far less than the amount of your investment in the notes.

### **The Return on Your Notes Will Be Limited to the Maximum Settlement Amount**

Your ability to participate in any appreciation in the level of the Basket over the life of your notes will be limited because of the Cap Level. The Maximum Settlement Amount will limit the Cash Settlement Amount you may receive for each of your notes at maturity, no matter how much the level of the Basket increases beyond the Cap Level over the life of your notes. Accordingly, the amount payable for each of your notes may be significantly less than it would have been had you invested directly in the Basket Underlier Stocks.

### **Any Payment on the Notes Is Subject to Our Credit Risk and the Credit Risk of the Guarantor, and Actual or Perceived Changes in Our or the Guarantor's Creditworthiness Are Expected to Affect the Value of the Notes**

The notes are our senior unsecured debt securities. Any payment on the notes will be fully and unconditionally guaranteed by the Guarantor. The notes are not guaranteed by any entity other than the Guarantor. As a result, your

receipt of the Cash Settlement Amount at maturity will be dependent upon our ability and the ability of the Guarantor to repay our obligations under the notes on the stated maturity date, regardless of the level of the Basket. No assurance can be given as to what our financial condition or the financial condition of the Guarantor will be on the stated maturity date. If we and the Guarantor become unable to meet our respective financial obligations as they become due, you may not receive the amounts payable under the terms of the notes.

In addition, our credit ratings and the credit ratings of the Guarantor are assessments by ratings agencies of our respective abilities to pay our obligations. Consequently, our or the Guarantor's perceived creditworthiness and actual or anticipated decreases in our or the Guarantor's credit ratings or increases in the spread between the yield on our respective securities and the yield on U.S. Treasury securities (the "credit spread") prior to the stated maturity date may adversely affect the market value of the notes. However, because your return on the notes depends upon factors in addition to our ability and the ability of the Guarantor to pay our respective obligations, such as the level of the Basket, an improvement in our or the Guarantor's credit ratings will not reduce the other investment risks related to the notes.

#### **We Are a Finance Subsidiary and, as Such, Will Have Limited Assets and Operations**

We are a finance subsidiary of BAC and will have no assets, operations or revenues other than those related to the issuance, administration and repayment of our debt securities that are guaranteed by the Guarantor. As a finance subsidiary, to meet our obligations under the notes, we are dependent upon payment or contribution of funds and/or repayment of outstanding loans from the Guarantor and/or its other subsidiaries. Therefore, our ability to make payments on the notes may be limited. In addition, we will have no independent assets available for distributions to holders of the notes if they make claims in respect of the notes in a bankruptcy, resolution or similar proceeding. Accordingly, any recoveries by such holders may be limited to those available under the related

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guarantee by the Guarantor, and that guarantee will rank equally with all other unsecured senior obligations of the Guarantor.

### **The Public Offering Price You Pay for the Notes Will Exceed Their Initial Estimated Value**

The initial estimated value of the notes that is provided in this preliminary pricing supplement, and that will be provided in the final pricing supplement, are each an estimate only, determined as of a particular point in time by reference to our and our affiliates' pricing models. These pricing models consider certain assumptions and variables, including our credit spreads and those of the Guarantor, the Guarantor's internal funding rate, mid-market terms on hedging transactions, expectations on interest rates, dividends and volatility, price-sensitivity analysis, and the expected term of the notes. These pricing models rely in part on certain forecasts about future events, which may prove to be incorrect.

The initial estimated value does not represent a minimum or maximum price at which we, the Guarantor, MLPF&S or any other entities would be willing to purchase your notes in any secondary market (if any exists) at any time. The value of your notes at any time after the date of this pricing supplement will vary based on many factors that cannot be predicted with accuracy, including our and the Guarantor's creditworthiness and changes in market conditions.

If you attempt to sell the notes prior to maturity, their market value may be lower than the price you paid for them and lower than their initial estimated value. This is due to, among other things, changes in the levels of the Basket Underliers, the Guarantor's internal funding rate, and the inclusion in the public offering price of the hedging related charges, all as further described in "Structuring the Notes" below. These factors, together with various credit, market and economic factors over the term of the notes, are expected to reduce the price at which you may be able to sell the notes in any secondary market and will affect the value of the notes in complex and unpredictable ways.

### **The Price of the Notes That May Be Paid by MLPF&S (and Which May Be Reflected on Customer Account Statements) May Be Higher than the Then-Current Estimated Value of the Notes for a Limited Time Period After the Trade Date**

As agreed by MLPF&S and the distribution participants, for approximately a three-month period after the trade date, MLPF&S expects to offer to buy the notes in the secondary market at a price that will exceed the estimated value of the notes at that time. The amount of this excess, which represents a portion of the hedging-related charges expected to be realized by MLPF&S and the distribution participants over the term of the notes, will decline to zero on a straight line basis over that three-month period. Accordingly, the estimated value of your notes during this initial three-month period may be lower than the value shown on your customer account statements. Thereafter, if MLPF&S buys or sells your notes, it will do so at prices that reflect the estimated value determined by reference to its pricing models at that time. Any price at any time after the trade date will be based on then-prevailing market conditions and



other considerations, including the performances of the Basket Underliers and the remaining term of the notes. However, none of us, the Guarantor, MLPF&S or any other party is obligated to purchase your notes at any price or at any time, and we cannot assure you that any party will purchase your notes at a price that equals or exceeds the initial estimated value of the notes.

**We Cannot Assure You that a Trading Market for Your Notes Will Ever Develop or Be Maintained**

We will not list the notes on any securities exchange. We cannot predict how the notes will trade in any secondary market or whether that market will be liquid or illiquid.

The development of a trading market for the notes will depend on the Guarantor's financial performance and other factors, including changes in the levels of the Basket Underliers. The number of potential buyers of your notes in any secondary market may be limited. We anticipate that MLPF&S will act as a market-maker for the notes, but none of us, the Guarantor or MLPF&S is required to do so. There is no assurance that any party will be willing to purchase your notes at any price in any secondary market. MLPF&S may discontinue its market-making activities as to the notes at any time. To the extent that MLPF&S engages in any market-making activities, it may bid for or offer the notes. Any price at which MLPF&S may bid for, offer, purchase, or sell any notes may differ from the values determined by pricing models that it may use, whether as a result of dealer discounts, mark-ups, or other transaction costs. These bids, offers, or completed transactions may affect the prices, if any, at which the notes might otherwise trade in the market.

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In addition, if at any time MLPF&S were to cease acting as a market-maker as to the notes, it is likely that there would be significantly less liquidity in the secondary market. In such a case, the price at which the notes could be sold likely would be lower than if an active market existed.

**The Amount Payable on Your Notes Is Not Linked to the Level of Each Basket Underlier at Any Time Other than the Determination Date**

The Final Basket Level will be based on the closing levels of each Basket Underlier on the Determination Date (subject to adjustment as described elsewhere in this pricing supplement). Therefore, if the closing levels of the Basket Underliers decreased significantly on the Determination Date, the Cash Settlement Amount for your notes may be significantly less than it would have been had the Cash Settlement Amount been linked to the closing levels of the Basket Underliers prior to such decrease in the levels of the Basket Underliers. Although the actual levels of the Basket Underliers on the stated maturity date or at other times during the life of your notes may be higher than the closing levels of the Basket Underliers on the Determination Date, you will not benefit from the closing levels of the Basket Underliers at any time other than on the Determination Date.

**Your Notes Will Not Bear Interest**

You will not receive any interest payments on your notes. As a result, even if the Cash Settlement Amount payable for your notes on the stated maturity date exceeds the face amount of your notes, the overall return you earn on your notes may be less than you would have earned by investing in a non-indexed debt security of comparable maturity that bears interest at a prevailing market rate.

**The Probability that the Final Basket Level Will Be Less Than the Buffer Level Will Depend in Part on the Volatility of the Basket Underliers**

“Volatility” refers to the frequency and magnitude of changes in the levels of the Basket Underliers. The greater the expected volatility with respect to the Basket Underliers on the trade date, the higher the expectation as of the trade date that the Final Basket Level could be less than the Buffer Level, indicating a higher expected risk of loss on the notes. The terms of the notes are set, in part, based on expectations about the volatility of the Basket Underliers as of the trade date. The volatility of the Basket Underliers can change significantly over the term of the notes. The level of the Basket could fall sharply, which could result in a significant loss of principal. You should be willing to accept the downside market risk of the Basket and the potential to lose a significant amount of your principal at maturity.

**You Have No Shareholder Rights or Rights to Receive Any Basket Underlier Stock**

Investing in your notes will not make you a holder of any of the Basket Underlier Stocks. Neither you nor any other holder or owner of your notes will have any rights with respect to the Basket Underlier Stocks, including voting rights, any right to receive dividends or other distributions, any rights to make a claim against the Basket Underlier Stocks or

any other rights of a holder of the Basket Underlier Stocks. Your notes will be paid in cash and you will have no right to receive delivery of any Basket Underlier Stocks.

**The Publisher of a Basket Underlier May Adjust such Basket Underlier in a Way that Affects Its Levels, and the Publisher Has No Obligation to Consider Your Interests**

The publisher of a Basket Underlier can add, delete, or substitute the components included in that Basket Underlier or make other methodological changes that could change its level. A new security included in a Basket Underlier may perform significantly better or worse than the replaced security, and the performance will impact the level of that Basket Underlier. Additionally, the publisher of a Basket Underlier may alter, discontinue, or suspend calculation or dissemination of that Basket Underlier. Any of these actions could adversely affect the value of your notes. The publisher of a Basket Underlier will have no obligation to consider your interests in calculating or revising that Basket Underlier.

**The Lower Performance of One Basket Underlier May Offset an Increase in One or More Other Basket Underliers**

Changes in the level of one or more of the Basket Underliers may be offset by changes in the levels of the other Basket Underliers. As a result, any return on the Basket – and thus on your notes – may be reduced or eliminated, which will have the effect of reducing the amount payable in respect of your notes at maturity. In addition, due to the different Initial Weighted Values, changes in the levels of some Basket Underliers will have a more substantial impact on the level of the Basket than similar changes in the levels of the other Basket Underliers.

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### **We May Sell Additional Notes at a Different Issue Price**

At our sole option, we may decide to sell an additional aggregate face amount of the notes subsequent to the date of this pricing supplement. The price to public of the notes in the subsequent sale may differ substantially (higher or lower) from the original price to public you paid as provided on the cover of this pricing supplement.

### **If You Purchase Your Notes at a Premium to Face Amount, the Return on Your Investment Will Be Lower Than the Return on Notes Purchased at Face Amount and the Impact of Certain Key Terms of the Notes Will Be Negatively Affected**

The Cash Settlement Amount will not be adjusted based on the price to public you pay for the notes. If you purchase notes at a price that differs from the face amount of the notes, then the return on your investment in such notes held to the stated maturity date will differ from, and may be substantially less than, the return on notes purchased at face amount. If you purchase your notes at a premium to face amount and hold them to the stated maturity date, the return on your investment in the notes will be lower than it would have been had you purchased the notes at face amount or a discount to face amount. In addition, the impact of the Buffer Level and the Cap Level on the return on your investment will depend upon the price you pay for your notes relative to face amount. For example, if you purchase your notes at a premium to face amount, the Cap Level will only permit a lower positive return in your investment in the notes than would have been the case for notes purchased at face amount or a discount to face amount. Similarly, the Buffer Level, while still providing some protection for the return on the notes, will allow a greater percentage decrease in your investment in the notes than would have been the case for notes purchased at face amount or a discount to face amount.

### **If the Levels of the Basket Underliers Change, the Market Value of Your Notes May Not Change in the Same Manner**

Your notes may trade quite differently from the performances of the Basket Underliers. Changes in the levels of the Basket Underliers may not result in a comparable change in the market value of your notes. We discuss some of the reasons for this disparity under “ — The Market Value of the Notes Will Be Affected by Various Factors That Interrelate in Complex Ways, and Their Market Value May Be Less Than the Face Amount” below.

### **Trading and Hedging Activities by Us, the Guarantor and Any of Our Other Affiliates May Affect Your Return on the Notes and Their Market Value**

We, the Guarantor and our other affiliates, including MLPF&S, and any other distributors of the notes may buy or sell the securities represented by the Basket Underliers, or futures or options contracts on the Basket Underliers or those securities, or other listed or over-the-counter derivative instruments linked to the Basket Underliers or the Basket Underlier Stocks. We, the Guarantor and any of our other affiliates, including MLPF&S, and any other distributors of the notes may execute such purchases or sales for our own or their own accounts, for business reasons, or in connection with hedging our obligations under the notes. These transactions could affect the value of these securities and, in turn, the value of the Basket Underliers in a manner that could be adverse to your investment in the notes. On or before the applicable trade date, any purchases or sales by us, the Guarantor or other entities (including for the purpose of hedging anticipated exposures) may affect the level of the Basket Underliers or the Basket Underlier

Stocks. Consequently, the levels of the Basket Underliers or the prices of the Basket Underlier Stocks may change subsequent to the trade date of an issue of the notes, adversely affecting the market value of the notes.

We, the Guarantor or one or more of our other affiliates, including MLPF&S, and any other distributors of the notes may also engage in hedging activities that could affect the level of the Basket Underliers on the trade date. In addition, these activities may decrease the market value of your notes prior to maturity, and may affect the amounts to be paid on the notes. We, the Guarantor or one or more of our other affiliates, including MLPF&S, and any other distributors of the notes may purchase or otherwise acquire a long or short position in the notes and may hold or resell the notes. For example, MLPF&S may enter into these transactions in connection with any market making activities in which they engage. We cannot assure you that these activities will not adversely affect the levels of the Basket Underliers, the market value of your notes prior to maturity or the amounts payable on the notes.

### **Our Trading, Hedging and Other Business Activities May Create Conflicts of Interest With You**

We, the Guarantor or one or more of our other affiliates, including MLPF&S, and any other distributors of the notes may engage in trading activities related to the Basket Underliers and to the Basket Underlier Stocks that are not for your account or on your behalf. We, the Guarantor or one or more of our other affiliates, including MLPF&S, and any other distributors of the notes also may issue or underwrite other financial instruments with returns based upon the Basket Underliers. These trading and other business activities may present a conflict of interest between your interest in the notes and the interests we, the Guarantor and our other affiliates, including MLPF&S, and any other

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distributors of the notes may have in our proprietary accounts, in facilitating transactions, including block trades, for our or their other customers, and in accounts under our or their management. These trading and other business activities, if they influence the levels of the Basket Underliers or secondary trading in your notes, could be adverse to your interests as a beneficial owner of the notes.

We expect to enter into arrangements or adjust or close out existing transactions to hedge our obligations under the notes. We, the Guarantor or our other affiliates, including MLPF&S, and any other distributors of the notes also may enter into hedging transactions relating to other notes or instruments, some of which may have returns calculated in a manner related to the notes. We may enter into such hedging arrangements with one of our affiliates. Our affiliates or such other distributors may enter into additional hedging transactions with other parties relating to the notes and the Basket Underliers. This hedging activity is expected to result in a profit to those engaging in the hedging activity, which could be more or less than initially expected, or the hedging activity could also result in a loss. We and these other entities will price these hedging transactions with the intent to realize a profit, regardless of whether the value of the notes increases or decreases. Any profit in connection with such hedging activities will be in addition to any other compensation that we or other parties receive for the sale of the notes, which creates an additional incentive to sell the notes to you.

**There May Be Potential Conflicts of Interest Involving the Calculation Agent, Which Is an Affiliate of Ours. We Have the Right to Appoint and Remove the Calculation Agent**

MLPF&S will be the calculation agent for the notes and, as such, will make a variety of determinations relating to the notes, including the amounts that will be paid on the notes. Under some circumstances, these duties could result in a conflict of interest between its status as our affiliate and its responsibilities as calculation agent. These conflicts could occur, for instance, in connection with the calculation agent's determination as to whether a Market Disruption Event has occurred. The calculation agent will be required to carry out its duties in good faith and use its reasonable judgment. However, because we expect that the Guarantor will control the calculation agent, potential conflicts of interest could arise.

**The Market Value of the Notes Will Be Affected by Various Factors That Interrelate in Complex Ways, and Their Market Value May Be Less Than the Face Amount**

If you wish to liquidate your investment in the notes prior to maturity, your only option would be to sell them in the secondary market. At that time, there may be an illiquid market for your notes or no market at all. Even if you were able to sell your notes, there are many factors outside of our control that may affect their market value, such as the level and the volatility of the Basket Underliers, economic and other conditions generally, interest rates, dividend yields on the securities represented by the Basket Underliers, exchange rate movements and volatility, our and the guarantor's financial condition and creditworthiness, time to maturity. The impact of any one factor may be offset or magnified by the effect of another factor. See "Risk Factors—General Risks Relating to the Notes—The notes are not designed to be short-term trading instruments and if you attempt to sell the notes prior to maturity, their market value, if any, will be affected by various factors that interrelate in complex ways, and their market value may be less than the principal amount" beginning on page PS-6 of product supplement EQUITY-1.

**An Investment in the Notes Is Subject to Risks Associated with Foreign Securities Markets**

The Basket tracks the value of certain foreign equity securities. You should be aware that investments in securities linked to the value of foreign equity securities involve particular risks. The foreign securities markets comprising the Basket Underliers may have less liquidity and may be more volatile than U.S. or other securities markets and market developments may affect foreign markets differently from U.S. or other securities markets. Direct or indirect government intervention to stabilize these foreign securities markets, as well as cross-shareholdings in foreign companies, may affect trading prices and volumes in these markets. Also, there is generally less publicly available information about foreign companies than about those U.S. companies that are subject to the reporting requirements of the Securities and Exchange Commission, and foreign companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies.

Prices of securities in foreign countries are subject to political, economic, financial and social factors that apply in those geographical regions. These factors, which could negatively affect those securities markets, include the possibility of recent or future changes in a foreign government's economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to foreign companies or investments in foreign equity securities and the possibility of fluctuations in the rate of exchange between currencies, the possibility of outbreaks of hostility and political instability and the possibility of natural disaster or adverse public health development in the region. Any one of these factors, or the combination of more than one of these factors, could negatively affect such foreign securities markets and the prices of securities therein. Further,

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geographical regions may react to global factors in different ways, which may cause the prices of securities in a foreign securities market to fluctuate in a way that differs from those of securities in the U.S. securities market or other foreign securities markets. Foreign economies may differ favorably or unfavorably from the U.S. economy in important respects such as growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency.

**Your Notes are Linked to the Basket Underliers, Which are Comprised of Basket Underlier Stocks That Are Traded in Foreign Currencies But Not Adjusted to Reflect Their U.S. Dollar Value, And, Therefore, the Return on Your Notes Will Not Be Adjusted for Changes in Foreign Currency Exchange Rates**

Your notes are linked to the Basket Underliers whose Basket Underlier Stocks are traded in foreign currencies but not adjusted to reflect their U.S. dollar value. The amount payable on your notes will not be adjusted for changes in foreign currency exchange rates. The amount payable will be based upon the overall change in the level of each Basket Underlier. Changes in foreign currency exchange rates, however, may reflect changes in the economy of the foreign countries in which the Basket Underlier's component stocks are listed that, in turn, may affect the levels of the Basket Underliers and the Basket.

**The U.S. Federal Income Tax Consequences of an Investment in the Notes Are Uncertain, and May Be Adverse to a Holder of the Notes**

No statutory, judicial, or administrative authority directly addresses the characterization of the notes or securities similar to the notes for U.S. federal income tax purposes. As a result, significant aspects of the U.S. federal income tax consequences of an investment in the notes are not certain. Under the terms of the notes, you will have agreed with us to treat the notes as single financial contracts, as described under "U.S. Federal Income Tax Summary—General." If the Internal Revenue Service (the "IRS") were successful in asserting an alternative characterization for the notes, the timing and character of gain or loss with respect to the notes may differ. No ruling will be requested from the IRS with respect to the notes and no assurance can be given that the IRS will agree with the statements made in the section entitled "U.S. Federal Income Tax Summary." You are urged to consult with your own tax advisor regarding all aspects of the U.S. federal income tax consequences of investing in the notes.

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## **THE BASKET AND THE BASKET UNDERLIERS**

The Basket is comprised of five Basket Underliers with the following initial weights within the basket: the EURO STOXX 50<sup>®</sup> Index (36.00% weighting), the TOPIX<sup>®</sup> (27.00% weighting), the FTSE<sup>®</sup> 100 Index (20.00% weighting), the Swiss Market Index (9.00% weighting) and the S&P<sup>®</sup>/ASX 200 Index (8.00% weighting).

All disclosures contained in this pricing supplement regarding the Basket Underliers, including, without limitation, their make-up, method of calculation, and changes in their components, have been derived from publicly available sources. The information reflects the policies of, and is subject to change by the Basket Underlier Sponsors. The Basket Underlier Sponsors, who license the copyright and all other rights to the Basket Underliers, have no obligation to continue to publish, and may discontinue publication of, the Basket Underliers. The consequences of the Basket Underlier Sponsors discontinuing publication of the applicable Basket Underlier are discussed in “Description of the Notes—Discontinuance of an Index” in the accompanying product supplement. None of us, the Guarantor, the calculation agent, or MLPF&S accepts any responsibility for the calculation, maintenance or publication of the Basket Underliers or any successor index.

As to each Basket Underlier, sector designations are determined by the applicable Basket Underlier Sponsor using criteria it has selected or developed. Basket Underlier Sponsors may use very different standards for determining sector designations. In addition, many companies operate in a number of sectors, but are listed in only one sector and the basis on which that sector is selected may also differ. As a result, sector comparisons between indices with different Basket Underlier Sponsors may reflect differences in methodology as well as actual differences in the sector composition of the indices.

None of us, the Guarantor, MLPF&S or any of our other affiliates makes any representation to you as to the future performance of the Basket Underliers.

You should make your own investigation into the Basket Underliers.

### **The EURO STOXX 50<sup>®</sup> Index**

#### **Composition and Maintenance**

The EURO STOXX 50<sup>®</sup> Index is composed of 50 component stocks of market sector leaders from within the 19 EURO STOXX<sup>®</sup> Supersector indices, which represent the Eurozone portion of the STOXX Europe 600<sup>®</sup> Supersector indices. The countries eligible for inclusion in the EURO STOXX 50<sup>®</sup> Index include Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

The top ten constituent stocks of the EURO STOXX 50<sup>®</sup> Index as of September 28, 2018, by weight, are: Total S.A. (6.21%), SAP SE (4.78%), Siemens AG (3.92%), Sanofi (3.62%), Allianz SE (3.45%), LVMH Moët Hennessy Louis Vuitton SE (3.40%), ASML Holding (3.03%), Bayer AG (2.98%), BASF SE (2.94%) and Banco Santander S.A.(2.92%); constituent weights may be found at <http://www.stoxx.com/download/indices/factsheets/SX5GT.pdf> under “Factsheets and Methodologies” and are updated periodically. Please note that none of the information on that website is included or incorporated by reference in this pricing supplement.

As of September 28, 2018, the top ten industry sectors which comprise the EURO STOXX 50<sup>®</sup> Index represent the following weights in the index: Banks (11.6%), Industrial Goods & Services (11.1%), Health Care (10.4%), Technology (10.3%), Personal & Household Goods (10.1%), Oil & Gas (7.9%), Insurance (6.6%), Chemicals (6.4%), Food and Beverage (4.5%) and Telecommunications (4.4%); industry weightings may be found at <http://www.stoxx.com/download/indices/factsheets/SX5GT.pdf> under “Factsheets and Methodologies” and are updated periodically.

As of September 28, 2018, the eight countries which comprise the EURO STOXX 50<sup>®</sup> Index represent the following weights therein: France (39.5%), Germany (30.7%), Netherlands (10.3%), Spain (10.0%), Italy (4.7%), Belgium (2.7%), Finland (1.1%) and Ireland (1.0%); country weightings may be found at [stoxx.com/download/indices/factsheets/SX5GT.pdf](http://www.stoxx.com/download/indices/factsheets/SX5GT.pdf) under “Factsheets and Methodologies” and are updated periodically.

Sector designations are determined by the Basket Underlier Sponsor using criteria it has selected or developed. Index sponsors may use very different standards for determining sector designations. In addition, many companies operate in a number of sectors, but are listed in only one sector and the basis on which that sector is selected may also differ. As a result, sector comparisons between indices with different index sponsors may reflect differences in methodology as well as actual differences in the sector composition of the indices.

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The composition of the EURO STOXX 50<sup>®</sup> Index is reviewed annually, based on the closing stock data on the last trading day in August. The component stocks are announced on the first trading day in September. Changes to the component stocks are implemented on the third Friday in September and are effective the following trading day. Changes in the composition of the EURO STOXX 50<sup>®</sup> Index are made to ensure that the EURO STOXX 50<sup>®</sup> Index includes the 50 market sector leaders from within the EURO STOXX 50<sup>®</sup> Index.

The free float factors for each component stock used to calculate the EURO STOXX 50<sup>®</sup> Index, as described below, are reviewed, calculated, and implemented on a quarterly basis and are fixed until the next quarterly review.

The EURO STOXX 50<sup>®</sup> Index is also reviewed on an ongoing monthly basis. Corporate actions (including initial public offerings, mergers and takeovers, spin-offs, delistings, and bankruptcy) that affect the EURO STOXX 50<sup>®</sup> Index composition announced immediately, implemented two trading days later and become effective on the next trading day after implementation.

#### **Calculation of the EURO STOXX 50<sup>®</sup> Index**

The EURO STOXX 50<sup>®</sup> Index is calculated with the “Laspeyres formula,” which measures the aggregate price changes in the component stocks against a fixed base quantity weight. The formula for calculating the EURO STOXX 50<sup>®</sup> Index value can be expressed as follows:

*EURO STOXX Free float market capitalization of the EURO STOXX 50<sup>®</sup> Index*

$50^{\text{®}} \text{ Index} = \frac{\text{Free float market capitalization}}{\text{Divisor}}$

The “free float market capitalization of the EURO STOXX 50<sup>®</sup> Index” is equal to the sum of the products of the price, number of shares outstanding, market capitalization, the free float factor and the weighting cap factor for each component stock as of the time the EURO STOXX 50<sup>®</sup> Index is being calculated.

The EURO STOXX 50<sup>®</sup> Index is also subject to a divisor, which is adjusted to maintain the continuity of the EURO STOXX 50<sup>®</sup> Index values across changes due to corporate actions, such as the deletion and addition of stocks, the substitution of stocks, stock dividends, and stock splits.

#### **License Agreement**

One of our affiliates has entered into a non-exclusive license agreement with STOXX providing for the license to it and certain of its affiliated companies, including us, in exchange for a fee, of the right to use indices owned and published by STOXX (including the EURO STOXX 50<sup>®</sup> Index) in connection with certain securities, including the notes offered hereby.

The license agreement requires that the following language be stated in this document:

STOXX and its licensors (the “Licensors”) have no relationship to us, other than the licensing of the EURO STOXX 50<sup>®</sup> Index and the related trademarks for use in connection with the notes. STOXX and its Licensors do not:

- sponsor, endorse, sell, or promote the notes;
- recommend that any person invest in the notes offered hereby or any other securities;
- have any responsibility or liability for or make any decisions about the timing, amount, or pricing of the notes;
- have any responsibility or liability for the administration, management, or marketing of the notes; or

consider the needs of the notes or the holders of the notes in determining, composing, or calculating the EURO STOXX 50<sup>®</sup> Index, or have any obligation to do so.

STOXX and its Licensors will not have any liability in connection with the notes. Specifically:

STOXX and its Licensors do not make any warranty, express or implied, and disclaim any and all warranty concerning:

- the results to be obtained by the notes, the holders of the notes or any other person in connection with the use of the EURO STOXX 50<sup>®</sup> Index and the data included in the EURO STOXX 50<sup>®</sup> Index;

- the accuracy or completeness of the EURO STOXX 50<sup>®</sup> Index and its data;

- the merchantability and the fitness for a particular purpose or use of the EURO STOXX 50<sup>®</sup> Index and its data;

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STOXX and its Licensors will have no liability for any errors, omissions, or interruptions in the EURO STOXX 50® Index or its data; and

Under no circumstances will STOXX be liable for any lost profits or indirect, punitive, special, or consequential damages or losses, even if STOXX or its Licensors know that they might occur.

The licensing agreement discussed above is solely for our benefit and that of STOXX, and not for the benefit of the holders of the notes or any other third parties.

### **The TOPIX®**

The TOPIX® (Bloomberg ticker “TPX”), also known as the Tokyo Stock Price Index, is a capitalization weighted index of all the domestic common stocks listed on the First Section of the TSE. Domestic stocks admitted to the TSE are assigned either to the TSE First Section Index, the TSE Second Section Index or the TSE Mothers Index. Stocks listed in the First Section, which number approximately 1,750, are among the most actively traded stocks on the TSE. The TOPIX® is supplemented by the sub-basket components of the 33 industry sectors and was developed with a base index value of 100 as of January 4, 1968. The TOPIX® is calculated and published by TSE. Additional information about the TOPIX® (including information regarding the industries represented by the securities included in the Basket Underlier and their respective weightings) is available on the following website:

<http://www.tse.or.jp/english/market/topix/index.html>. We are not incorporating by reference that website or any material it includes in this pricing supplement.

### **TOPIX**

#### **Basket Underlier Stock Weighting by Sector as of October 31, 2018**

<b>Sector:*</b>	<b>Percentage (%)**</b>
Air Transportation	0.581%
Banks	7.035%
Chemicals	7.109%
Construction	2.943%
Electric Appliances	13.088%
Electric Power & Gas	1.849%
Fishery, Agriculture & Forestry	0.120%
Foods	4.295%
Glass & Ceramics Products	0.887%
Information & Communication	7.666%
Insurance	2.482%
Iron & Steel	1.031%
Land Transportation	4.437%

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Machinery	4.995%
Marine Transportation	0.169%
Metal Products	0.596%
Mining	0.340%
Nonferrous Metals	0.811%
Oil & Coal Products	0.894%
Other Financing Business	1.231%
Other Products	2.067%
Pharmaceutical	5.071%
Precision Instruments	1.823%
Pulp & Paper	0.317%
Real Estate	2.365%
Retail Trade	5.194%
Rubber Products	0.807%
Securities & Commodity Futures	0.995%
Services	4.737%
Textiles & Apparels	0.646%
Transportation Equipment	8.117%
Warehousing & Harbor Transportation Services	0.185%
Wholesale Trade	5.116%

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\* Sector designations are determined by the Basket Underlier Sponsor using criteria it has selected or developed. Index sponsors may use very different standards for determining sector designations. In addition, many companies operate in a number of sectors, but are listed in only one sector and the basis on which that sector is selected may also differ. As a result, sector comparisons between indices with different index sponsors may reflect differences in methodology as well as actual differences in the sector composition of the indices.

\*\* Information provided by TSE. Percentages may not sum to 100% due to rounding.

*Composition and Maintenance.* The TOPIX® is composed of all domestic common stocks listed on the TSE First Section, excluding temporary issues and preferred stocks. Companies scheduled to be delisted or newly listed companies that are still in the waiting period are excluded from the TOPIX®. The TOPIX® has no constituent review. The number of constituents will change according to new listings and delistings.

## **Index Calculation**

The TOPIX® is a free-float adjusted market capitalization-weighted index, which reflects movements in the market capitalization from a base market value of 100 set on the base date of January 4, 1968. The TSE calculates the TOPIX® by multiplying the base point of 100 by the figure obtained from dividing the current free float adjusted market value by the base market value. The resulting value is not expressed in Japanese yen, but presented in terms of points rounded to the nearest one hundredth. The formula for calculating the index value can be expressed as follows:

The current free float adjusted market value is the sum of the product of the price and the number of free float adjusted shares for index calculation of each component stock.

The number of free float adjusted shares for index calculation is the number of listed shares multiplied by free-float weight. The number of listed shares for index calculation is determined by the TSE. The number of listed shares for index calculation normally coincides with that of listed shares. However, in some cases these numbers differ. For instance, in the case of a stock split, while the number of listed shares increases at the additional listing date which comes after such stock split becomes effective, the number of listed shares for index calculation increases at the ex-rights date.

Free-float weight is a weight of listed shares deemed to be available for trading in the market and is determined and calculated by the TSE for each listed company for index calculation. The free-float weight of one company may be different from that of any other company. Free-float weight is reviewed once a year in order to reflect the latest distribution of share ownership. The timing of the yearly free-float weight review is different according to the settlement terms of listed companies. In addition to the yearly review, extraordinary reviews are conducted in the

following cases: allocation of new shares to a third party, conversion of preferred shares or exercise of subscription warrants, company spin-off, merger, acquisition, take-over bid, and other events that the TSE judges as appropriate reasons to review.

In the event of any increase or decrease in the current free-float adjusted market value due to reasons other than fluctuations in the TSE, such as public offerings or changes in the number of constituents in the TSE First Section, necessary adjustments are made by the TSE to the base market value in order to maintain the continuity of the TOPIX®. The TSE makes adjustments as follows:

<b>Event</b>	<b>Implementation of Adjustment (Before Markets Open)</b>	<b>Price Used for Adjustments</b>
Addition Company to be listed on the TSE First Section by initial public offering or via another stock exchange	Last business day of the next month of listing	Price on the adjustment date
Addition New listing of a newly formed company resulting from a corporate consolidat		