

Invesco QQQ FC 7 Index



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Index toolkit | February 2026

Index characteristics

Bloomberg ticker	QQQFC7
Index launch date	October 23, 2025
Index sponsor	Merrill Lynch International
Geographic focus	United States
Asset class	Equity
Annualized volatility target	7%
Return type	Excess Return
Calculation agent	BofA Securities
Est. transaction costs ¹	0.01%
Annual Index Performance Reduction ²	0.50%

www.Invesco.com/qqqfc7

How it works

1

Invesco QQQ

Equity exposure focused on innovation via Invesco QQQ.

2

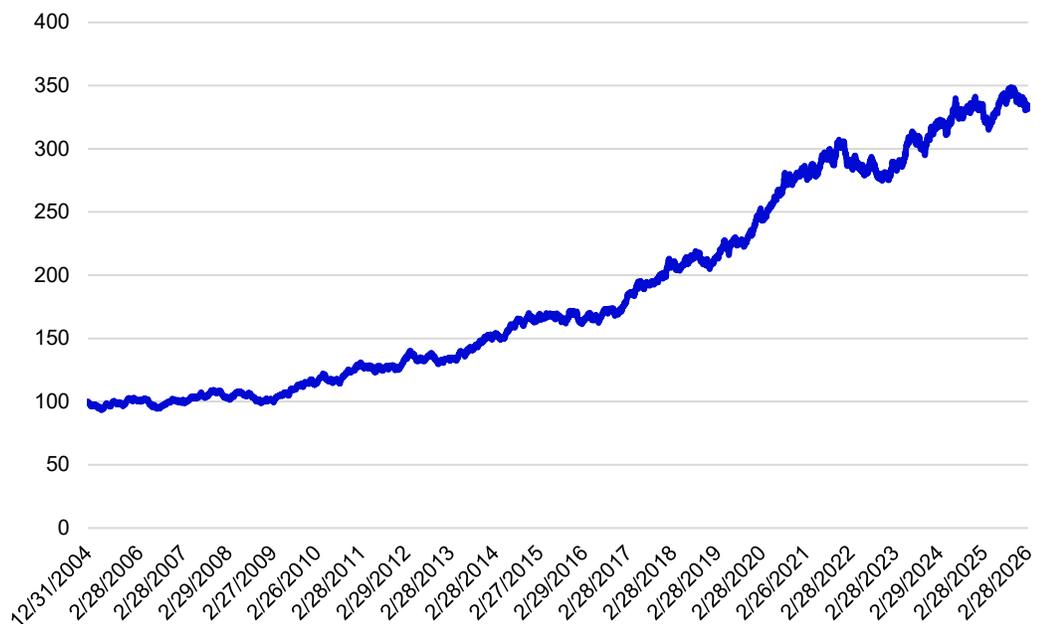
Fast Convergence technology

Equity exposure is adjusted intraday by applying Bank of America's patented FC technology with the aim of maintaining Index volatility at 7% annually.

Index objective: The Invesco QQQ FC 7 Index (the Index) is designed to provide access to innovative, technology-focused companies by applying Bank of America's patented Fast Convergence (FC) technology to target 7% annualized volatility.

Index overview: The centerpiece of the Index is the Invesco QQQ exchange-traded fund (ETF) (Invesco QQQ) that is designed to track the Nasdaq-100 Index®, providing investors access to some of the most innovative companies in the world. FC technology systemically rebalances equity exposure hourly (up to seven times) throughout each trading day and is applied to Invesco QQQ with the goal of adapting faster to changing market conditions.

Cumulative back-tested and actual performance



Source: BofA Securities, Bloomberg, December 31, 2004, to February 28, 2026. The Invesco QQQ FC 7 Index was created on October 23, 2025. Levels for the Index before October 23, 2025, represent hypothetical data determined by retroactive application of a back-tested model, itself designed with the benefit of hindsight. **Past performance – whether actual, back-tested or simulated – is not indicative of future performance.** Actual performance will vary, perhaps materially, from the performance set forth herein. The Index performance represents excess return. The performance of the Index includes a 50 basis points (bps) embedded cost and does not include fees or costs of any financial instrument referencing the Index. Because this Index applies a volatility control mechanism, the range of both positive and negative performance of the Index is limited.

1. Estimated transaction costs will vary as index allocations change.
2. The performance reduction is a return adjustment with the goal of higher participation rates within index-linked products.

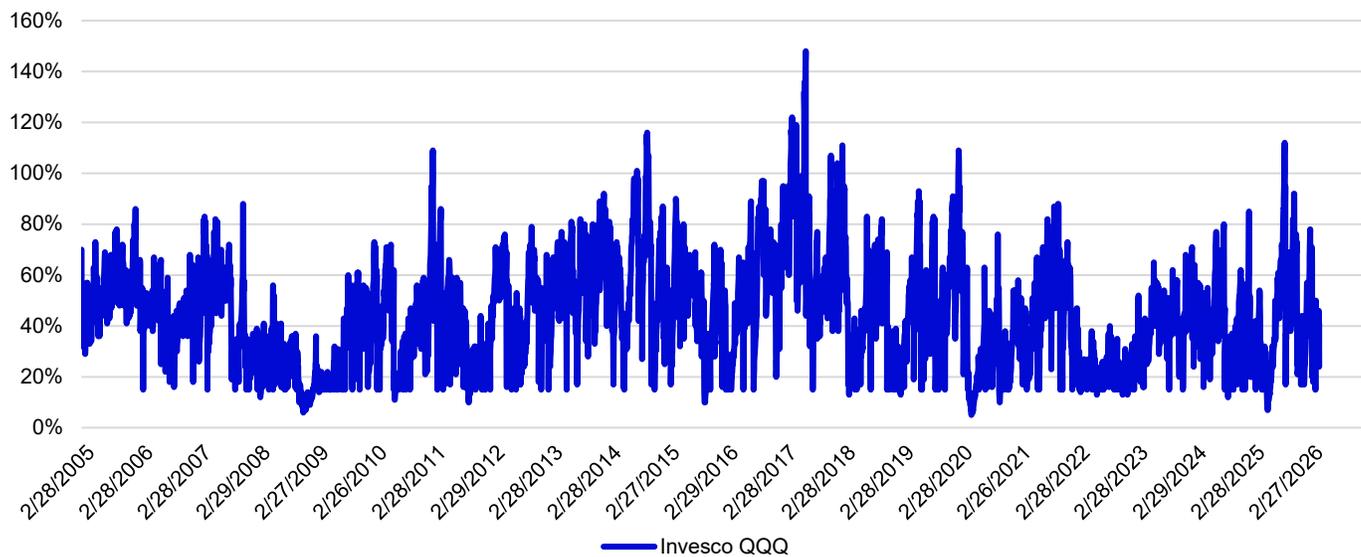
Annualized back-tested and actual returns (%)

	1 month	3 month	1 year	3 year	5 year	10 year	15 year	Inception
Invesco QQQ FC 7 Index	-0.98	-2.43	2.20	5.32	3.58	7.35	6.52	5.84
Annualized volatility (%)	--	--	6.69	7.10	7.17	7.16	7.15	7.16
Sharpe ratio (%)	--	--	0.33	0.75	0.50	1.03	0.91	0.82

Calendar year back-tested and actual returns (%)

'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24	'25
0.17	-0.19	7.70	-6.48	15.44	7.08	0.99	4.85	15.96	8.36	2.26	0.98	16.01	4.72	14.74	18.19	7.96	-9.06	14.31	5.05	1.47

Historical back-tested and actual asset allocation¹



Source: BofA Securities, Bloomberg, December 31, 2004, to February 28, 2026. The Invesco QQQ FC 7 Index was created on October 23, 2025. Levels for the Index before October 23, 2025, represent hypothetical data determined by retroactive application of a back-tested model, itself designed with the benefit of hindsight. **Past performance – whether actual, back-tested or simulated – is not indicative of future performance.** Actual performance will vary, perhaps materially, from the performance set forth herein. The Index performance represents excess return. The performance of the Index includes a 50bps embedded cost and does not include fees or costs of any financial instrument referencing the Index. Because this Index applies a volatility control mechanism, the range of both positive and negative performance of the Index is limited. **Annualized Volatility** is the standard deviation of monthly returns. A **Sharpe ratio** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio indicates better risk-adjusted performance.

1. Component allocations may not sum to 100%. When realized volatility exceeds the target, the Index reduces component allocations below 100%. Conversely, when realized volatility decreases below the target, allocations may sum to more than 100%. The difference is non-renumerated cash; that is cash that does not pay interest or contribute to index returns.

Selected risk factors and disclaimers

Below is a summary of some of the risks relating to the Invesco QQQ FC 7 Index (the "Index") discussed herein. Please request a copy of the applicable rulebook for additional risk disclosure. Before investing in any such instrument or entering in any such transaction, you must satisfy yourself that you fully understand the risks of such instrument or transaction and you are solely responsible for making an independent appraisal of, and investigation into, such Index and should not rely on this information or the index rulebook as constituting investment, financial or other advice. Merrill Lynch International ("MLI"), an affiliate of BofA Securities, Inc. ("BofAS") is the benchmark sponsor of the Index.

Nature of the index

The Index uses a rules-based formula to enable the index closing level to be calculated from time to time. Although instruments may be issued or entered into where such instruments' return is linked to the Index performance, the Index is not itself an investment or instrument and does not give any person any entitlement to, or ownership interest in, any index components or any other obligation referenced (directly or indirectly) by the Index.

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BofA Global Research makes no representation or warranty, express or implied, regarding the Index, any related financial products, or the advisability of investing in such products.

Potential conflicts of interest

Potential conflicts of interest may exist in the internal teams and divisions of MLI or across different entities within the BofA group. For example, one team may calculate and publish the level of the Index, while another team within the organization may issue or promote/sell products linked to the Index or an index component. In addition, a further team within the organization may have trading positions in or relating to instruments and assets to which the performance of the Index is directly or indirectly linked (including any index component). Entities within the BofA group may be active and significant participants in or act as market maker in relation to a wide range of markets for currencies, commodities, securities and derivatives. Such activities may be undertaken on such a scale as to affect, either temporarily or on a long-term basis, the price of such investments which may impact adversely on the index closing level. No entity within the BofA group shall have any duty or obligation to take into account any impact in the performance of the Index when effecting transactions in such markets.

In addition, the benchmark sponsor and initial index calculation agent, MLI, or its affiliates may enter into transactions referencing or relating to the Index with one or more counterparties or may engage in proprietary trading in the Index or securities, options, futures, derivatives or other instruments relating to the Index or any index component (including such trading as it or its affiliate deems appropriate in their sole and absolute discretion to hedge its market risk with respect to the Index or any transaction relating to the Index) for their accounts, for business reasons, or for other accounts under its or their management. The benchmark sponsor and affiliates may enter into such transactions or hedging transactions with a view to a profit or other financial gain. In addition, any such trading may affect the level or index closing level and consequently the amounts payable or deliverable in any transaction referencing or relating to the Index. Such trading may be affected at any time, including on or near determination, setting, resetting or other calculation dates for the Index or such index components, or the pricing, setting, resetting or other valuation date(s) for any such transaction.

Embedded transaction costs

The calculation of the Index will incorporate a deduction for embedded transaction costs. These transaction costs are not a per annum amount but are adjustments made in order to account for synthetic costs (for example, bid-ask spread, rebalancing, hedging, slippage and brokerage) incurred by a professional investor seeking to replicate the strategy of the Index, as applicable. In addition, these transaction costs may take into account expenses incurred by the benchmark sponsor in the development of intellectual property for, and administration of, the Index. These transaction costs may be higher or lower than the actual costs of hedging the exposure to the Index, as applicable, and, if higher, may result in professional investors being in a worse position than if they were to replicate the Index, as applicable. The embedded transaction costs are deducted from the level of the Index and act as a drag on the Index, therefore reducing the amount of return on the Index, and the level of the Index must increase by an amount sufficient to offset the aggregate of the transaction costs in order for there to be any return on the Index performance. The transaction costs are calculated in accordance with the applicable index rulebook.

In addition to the embedded transaction costs of the Index, one of the Index components, the Invesco QQQ Trust Series 1 ETF ("ETF") contains an embedded management fee, as determined by the ETF sponsor and as may be changed from time to time (the "ETF fee"). The effect of such ETF fee is that ETF price will be less than would otherwise be the case, therefore, reducing the return (if any) on the Index. For additional information on the ETF fees, please review the applicable ETF offering materials.

Excess return index

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

Volatility control

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

Past performance

Past performance of the Index is not a reliable guide to future performance, and the past performance of the Index may have been determined on different terms. No assurance, representation or warranty is given with respect to the future performance of the Index or that it will achieve its objective. Prices and values of the components, exchange rates and interest can fluctuate and may have an adverse effect on the Index performance.

Simulated historical performance

All index closing levels between the index base date and the index live date have been determined by reference to historical data and must be considered as simulated and thus purely hypothetical. The methodology and assumptions used to calculate index closing levels prior to the index live date, may be different to those applied from the index live date and in the future. While the index sponsor views this as reasonable, the use of historical data may result in material differences between the simulated performance of the Index, prior to the index live date, and any subsequent actual performance.

In addition, the underlying for an Index component, the ETF, did not have data on Bloomberg existing prior to March 23, 2011; substitute components were used in determining the simulated historical performance. Such substitute components can be provided upon request.

Limited actual historical performance

The Index has only been calculated since the index live date and as such there is no actual historical performance data available in respect of it prior to that time. As a result, any investment the return of which is linked to the Index may involve greater risk than an exposure linked to indices or strategies with a longer-term track record.

Back-testing

No actual financial product which allowed tracking of the performance of the index was possible before October 23, 2025. Any hypothetical “back-tested” information provided herein is illustrative only and determined by retroactive application of a back-tested model, itself designed with the benefit of hindsight based on certain data and assumptions and estimates (not all of which may be specified herein, and which are subject to change without notice). These back-tested, hypothetical, historical annualized Index returns have inherent limitations. The results obtained from different models, assumptions, estimates and/or data may be materially different and might produce significantly different results and may prove to be more appropriate from the results presented herein. Actual performance will vary, perhaps materially from the performance set forth herein. The performance of the Index does not include fees or cost of any financial instrument referencing the Index. No representation is made by any Licensor that in the future the Index will have the returns illustrated herein. Hypothetical “back-tested” information should not be considered indicative of the actual results that might be obtained from a financial product or participation in a financial instrument or transaction referencing the Index. The Licensors expressly disclaim any responsibility for (i) the accuracy or completeness of the models, assumptions, estimates and data used in deriving the hypothetical “back-tested” information, (ii) any errors or omissions in computing or disseminating the hypothetical “back-tested” information, and (iii) any uses to which the hypothetical “back-tested” information may be put by any recipient of such information.

Index not designed by reference to individual needs

The Index is structured by the benchmark sponsor and determined and calculated by the index calculation agent without regard to any other party. Neither the benchmark sponsor nor the index calculation agent has any obligation to take the needs of any person into consideration in structuring the Index or revising its methodology, and the index calculation agent does not have any obligation to take the needs of any person into consideration in determining and calculating the Index.

Sustainability risk

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

Duty of care

Subject always to their regulatory obligations and except as may be required by applicable law, neither the benchmark sponsor (including where it acts through the equities index forum discussed in the index rulebook) nor the index calculation agent shall have a duty of care or any fiduciary duty to any person in respect of the Index including any investor in any instrument, or any counterparty to any transaction, linked to the Index. Neither the benchmark sponsor nor the index calculation agent is acting as an investment adviser or manager or providing advice of any nature in relation to the Index or any instrument or transaction linked to the Index.

Other risks

There is no guarantee, warranty or assurance that the index rulebook discloses all possible factors that may affect the performance of the Index and the risks of investing in any instrument or entering into a transaction that is linked to the Index. Before licensing use of the Index in such an instrument or transaction, investing in any such instrument or entering in any such transaction, you must satisfy yourself that you fully understand the Index (including the index components) and the risks of such instrument or transaction. You are solely responsible for making an independent appraisal of, and investigation into, the Index (including its index components) and should not rely on the index rulebook as constituting investment, financial or other advice.

Additional risk factors can be found in the index rulebook.

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