

SEPARATING FACT FROM FEAR

What you need to know about structured products

For many advisors, structured products, also known as market-linked products, are well-established, customizable solutions for managing risk and market volatility. In fact, last year the overall US sales volume for this asset class topped \$120 billion, double what it was five years earlier in 2019.¹

If you haven't yet ventured into structured products, we want to answer some questions here.

1 Are you concerned that structured products are too risky for your clients?

Structured products are designed as risk management strategies that allow investors to participate in the performance of common underliers such as the S&P 500, Russell 2000 and NASDAQ-100, while also providing predetermined levels of downside protection.²

It is possible to invest in market-linked CDs that offer 100% principal protection with FDIC insurance, up to applicable limits. Depending on your client's risk tolerance, you can also select principal-protected notes that offer full principal back at maturity, or market-linked notes with varying levels of protection, subject to the credit risk of the issuer.² [Watch Video >](#)

Structured Products Risk Spectrum



2 Are you upset that structured products are only for the very wealthy?

While these investments provide access to strategies used by high-net-worth investors, structured products can be accessed with a minimum investment as low as \$1,000.

3 Are you afraid that your clients won't understand structured products?

Structured investments provide clearly defined outcomes to meet your clients' needs:

- The maturity date;
- The level of downside protection;
- The participation rate in upside potential;

To help advisors and their clients fully understand the benefits and potential risks of structured investments, InspereX has created an entire library of award-winning, FINRA-reviewed educational materials.

4 Are you hesitant about fees associated with structured products?

As with many investment products, structured products are subject to fees and costs, including advisor commissions, structuring and development costs, and offering expenses. Remember that they are designed as buy-and-hold investments. Regardless of fees, market-linked CDs and principal protected notes will return the initial principal when held to maturity, subject to the credit risk of the issuer, plus any growth or income based on the performance of the underlier.

5 Are you worried that there may not be a structured product to fit your clients' needs?

InspereX partners with premier issuers to provide a wide range of strategies designed to meet the needs of your clients' varying levels of risk tolerance and financial objectives. The strategies provide a spectrum of application and opportunity for your clients and your practice.

Our premier partners include:

Goldman Sachs

J.P.Morgan

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Bank of America

Morgan Stanley

BARCLAYS

UBS

BMO

HSBC

BBVA

RBC Royal Bank

BNP PARIBAS

Issuers vary by firm

Ditch Your Fear of Missing Out on Growing Your Business. InspereX Can Help.

For more information on the benefits, risks, and suitability of Market-Linked Products, otherwise known as structured products, please visit your InspereX microsite or contact your wholesaler for an exploration call.

InspereX

1 Structured Retail Products as of 12/31/2023

2 Any return of principal, as well as interest and gains generated are subject to the credit risk of the issuer and terms of the offering documents, which could include participation rates, interim caps, and various risks. Dividends paid on the underlying asset are not passed through to the Market-Linked Product. There is no guarantee that a Market-Linked Product will generate a positive return. Any applicable downside protection will be realized only at maturity, which may range up to 10 years. For certain Market-Linked Notes, return at maturity could be less than the original amount invested. Regarding Market-Linked CDs, the Federal Deposit Insurance Corporation (FDIC) insures principal amounts up to applicable limits in the event the issuer becomes insolvent.

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For all market-linked products other than market-linked CDs, the following applies:

Not FDIC insured // Not bank guaranteed // May lose value // Not a bank deposit // Not insured by any government agency

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