



# Market-Linked Certificates of Deposit

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Solutions to help you manage the what ifs  
of investing

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Market-Linked CDs are considered complex investments and may not be suitable for all investors, so its important to review relevant offering documents.

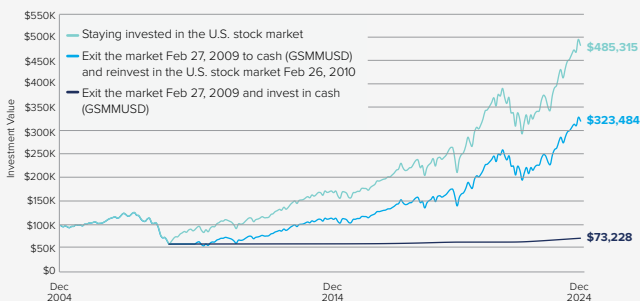
What if... you don't know which way the markets are heading, and you're concerned about getting in or out at the wrong time?

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What if... the markets increase considerably, but you're not invested, and you miss out on asset growth that could have a meaningful impact on your retirement?

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### Staying invested can help you stay on track



Source: Bloomberg. Data represents the last trading day for the period December 2004 to December 2024. This chart is for illustrative purposes only and assumes a \$100,000 investment December 31, 2004. The market is represented by the S&P 500®, which is an unmanaged group of securities and considered to be representative of the U.S. stock market in general. Cash is represented by the month over month percentage change using the end of month closing price of the Goldman Sachs Overnight Money Market Index (GSMMUSD). Past performance is no guarantee of future results. An investment cannot be made directly in an index. The data assumes no dividends are received and does not account for taxes or transaction costs of an initial investment of \$100,000.

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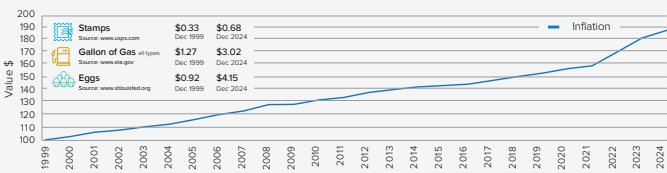
**You don't have to sit on the sidelines and regret missing investment opportunities.** Market-Linked CDs, considered complex investments, may help increase your chances of achieving greater returns while protecting your principal so you can have the confidence to remain invested.<sup>1</sup>

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<sup>1</sup> 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. There is no guarantee of return above principal. Any applicable downside protection will be realized only at maturity. The Federal Deposit Insurance Corporation (FDIC) insures principal amounts up to applicable limits in the event the issuer becomes insolvent.

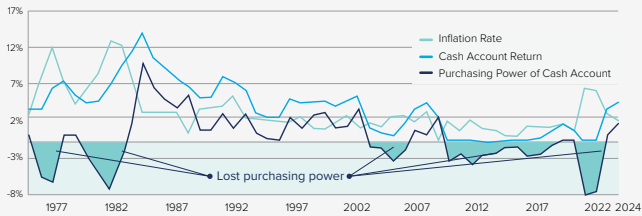
# What if... you're concerned about the impact of inflation on your purchasing power?

## Historically inflation is constantly growing and real



Source: Bloomberg LP. This chart illustrates the year over year value change of the CPURNSA Index from December 31, 1999 to December 31, 2024. Cost of goods are as of December 1999 to December 2024.

## There are times when inflation will erode the purchasing power of traditional cash accounts



Source: Bloomberg LP Data is for the time period December 1972 to December 2024. The Cash Account return is represented by 3-month Treasuries observed at the end of each calendar year. The inflation rate is represented by the US BLS CPI All Urban NSA, a measure of the Consumer Price Index (CPI). Purchasing power of the Cash Account is determined by subtracting the Inflation Rate from the Cash Account Return. Past performance is no guarantee of future results.

**You don't have to settle for low yield in exchange for low risk.** With Market-Linked CDs, you have the opportunity to capture income linked to the performance of financial markets.<sup>1</sup>

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# Market-Linked CDs may help you...

- Protect your principal against losses<sup>1</sup>
- Increase the potential for capital growth and/or income<sup>1</sup>
- Complement your traditional investments
- Enhance your portfolio's diversification
- Feel more financially prepared for the retirement you want to live
- Avoid the what ifs of investing!

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# Are Market-Linked CDs right for you?

If you're cautious about taking on risk yet want to participate in the markets, Market-Linked CDs can protect your principal investment and help you capture potential upside opportunities.<sup>1</sup>

Market-Linked CDs are **principal protected**<sup>1</sup> bank-issued deposits with fixed time periods that generally range up to 10 years. While any return of principal, interest and gains generated is subject to the credit risk of the issuer, principal amounts are **FDIC-insured** up to applicable limits in the event the issuer becomes insolvent. Market-Linked CDs may have an **estate feature** that, upon death or adjudication of incompetency, allows beneficiaries to redeem Market-Linked CDs for at least their principal value, without interest, prior to maturity.<sup>2</sup>

Returns are linked to the performance of one or more underlying assets (underliers), such as a basket of stocks or indices that provide exposure to equity markets, multiple asset classes or popular themes. If the underlier's return at maturity is below zero, you should expect to receive no return above your principal amount. Dividends paid on the underlier are not passed through to the Market-Linked CD.

If you're seeking growth, some Market-Linked CDs provide the potential for capital appreciation at maturity based on a participation rate, which is the degree to which you can participate in the potential growth of the underlier. If you're seeking income, some Market-Linked CDs provide coupon payments based on whether the underlier meets certain performance thresholds at predetermined times throughout the life of the investment.

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<sup>2</sup> Certain restrictions apply, and redemptions may be limited. Please refer to the investment's offering documents for details.

# What you should know before investing in Market-Linked CDs

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Speak with your financial professional about the risks and suitability of Market-Linked CDs in your portfolio.

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## **Call risk**

Some Market-Linked CDs (MLCDs) are callable, or redeemable, solely at the option of the issuer. The issuer is not obligated to redeem a callable CD, and will typically call an MLCD when it is most advantageous for them to do so. If the MLCD is called, it is possible that you may be unable to reinvest in an MLCD with similar or better terms.

## **Credit risk**

Any investment above the FDIC allowable limit is subject to the credit risk of the issuer, as are any market-linked returns.

## **FDIC insurance**

MLCDs are FDIC-insured in the event of issuer insolvency, up to the applicable limits of \$250,000 per account ownership category and for each account owner and each of their beneficiaries. Any investment that exceeds the FDIC limit is subject to the credit risk of the issuer. If the issuer has guaranteed the return of principal, the FDIC will cover both the principal and any accrued interest, up to the applicable insurance limit. However, if interest is only credited at maturity and the issuer were to become insolvent prior to the maturity of the CD, no interest would be insured. InspereX<sup>SM</sup> only partners with bank issuers of MLCDs that are insured with the FDIC. While there is no maximum limit on the amount that you can invest in MLCDs, FDIC insurance only covers MLCDs up to the maximum insurance limits.

## **Fees**

MLCDs are subject to fees and costs, including commission paid to your financial professional, structuring and development costs, and offering expenses. There are also trading costs, including costs to hedge the product. Any sales prior to maturity will be reduced by all associated fees and costs, which are detailed in the offering documents. MLCDs, when held to maturity, will return the initial principal, subject to the credit risk of the issuer, regardless of fees.

### **Liquidity risk**

MLCDs are intended to be held until maturity, and there is no formal secondary market for the product, which makes early redemptions difficult and subject to a variety of market-related factors. In the event that you are able to redeem MLCDs prior to maturity, the redemption proceeds may be less than the amount you invested due to fluctuations in the underlying assets and other market-related factors. FDIC insurance does not protect against losses if MLCDs are sold or redeemed prior to maturity.

### **Market risk**


MLCDs are linked to the performance of specified underlying assets. The return on MLCDs can be adversely impacted if the underlying asset performs poorly. At maturity, poor performance of the underlying asset could result in no return above the principal amount.

### **Performance risk**

The MLCD pays a return based upon the performance of an underlying asset as outlined in the offering documents. These terms could include interim caps, averaging, and rates of participation in the underlying asset. MLCDs do not pay dividends. If dividends are declared on the underlying asset, they will be excluded when calculating the performance of the MLCD. There are a variety of factors that may influence the performance of the underlying asset such as volatility, interest rate moves, and time to maturity. Additionally, potential fees charged on the underlying asset may reduce or eliminate any positive return in that underlying asset, thereby reducing the return on the MLCD.

### **Tax implications**

MLCDs may be treated as a “contingent debt instrument” for federal income tax purposes if they are held in a non-qualified account. While an MLCD may not pay interest until maturity, if at all, you may be required to include your charged interest amount each year as income for federal income tax purposes. For specific terms, please refer to the offering documents, or consult a tax professional.





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