



Market-Linked Products

Statement Values

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

The pricing of Market-Linked Products differs from that of traditional investments on your brokerage statement. The value reported will fluctuate and may be less than the initial amount invested. That is why it is important to understand how the value of a Market-Linked Product will be reported on your statement at various times during which you hold the investment.



What causes my statement value to fluctuate?

Market-Linked Products, also known as Structured Products, are complex investments intended to be held until maturity. Whether you hold Market-Linked CDs, Principal Protected Notes, or Market-Linked Notes, some of the factors that may impact your statement value include, but are not limited to:

- ▶ **Fees** – These up-front fees may include administrative costs, structuring and development costs, distribution fees as well as any financial professional commissions.
- ▶ **Interest rates** – Your statement value may also reflect moves in interest rates. For example, the value could increase if interest rates go down or decrease if interest rates goes up.
- ▶ **Underlying asset performance** – Market-Linked Products pay a return based upon the performance of an underlying asset as detailed in the offering documents. There is no guarantee above principal. Common underliers could include individual stocks, equity indices or indices that provide asset class diversification or exposure to popular themes.
- ▶ **Market volatility** – Since Market-Linked Products are linked to the performance of an underlying asset, to the extent that market volatility increases, your statement value may be adversely impacted.
- ▶ **Time to maturity** – The longer the time to maturity, the more sensitive the value of your investment is to factors such as performance, interest rates, issuer credit rating, and volatility.
- ▶ **Issuer credit rating** – Any adverse changes to the credit rating of the issuer could negatively impact the value of your investment. The issuer's credit rating is monitored and reviewed on a continuous basis.

Understanding Statement Terms

Regardless of which type of Market-Linked Product you own, whether it is a **Market-Linked CD**, a **Principal Protected Note**, or a **Market-Linked Note**, the value shown on your statement may not reflect either the principal, the potential coupon payments or the appreciation or depreciation of the underlier that you would receive if you held the note to maturity.



MLCD

Market-Linked Certificates of Deposit



PPN

Principal Protected Notes

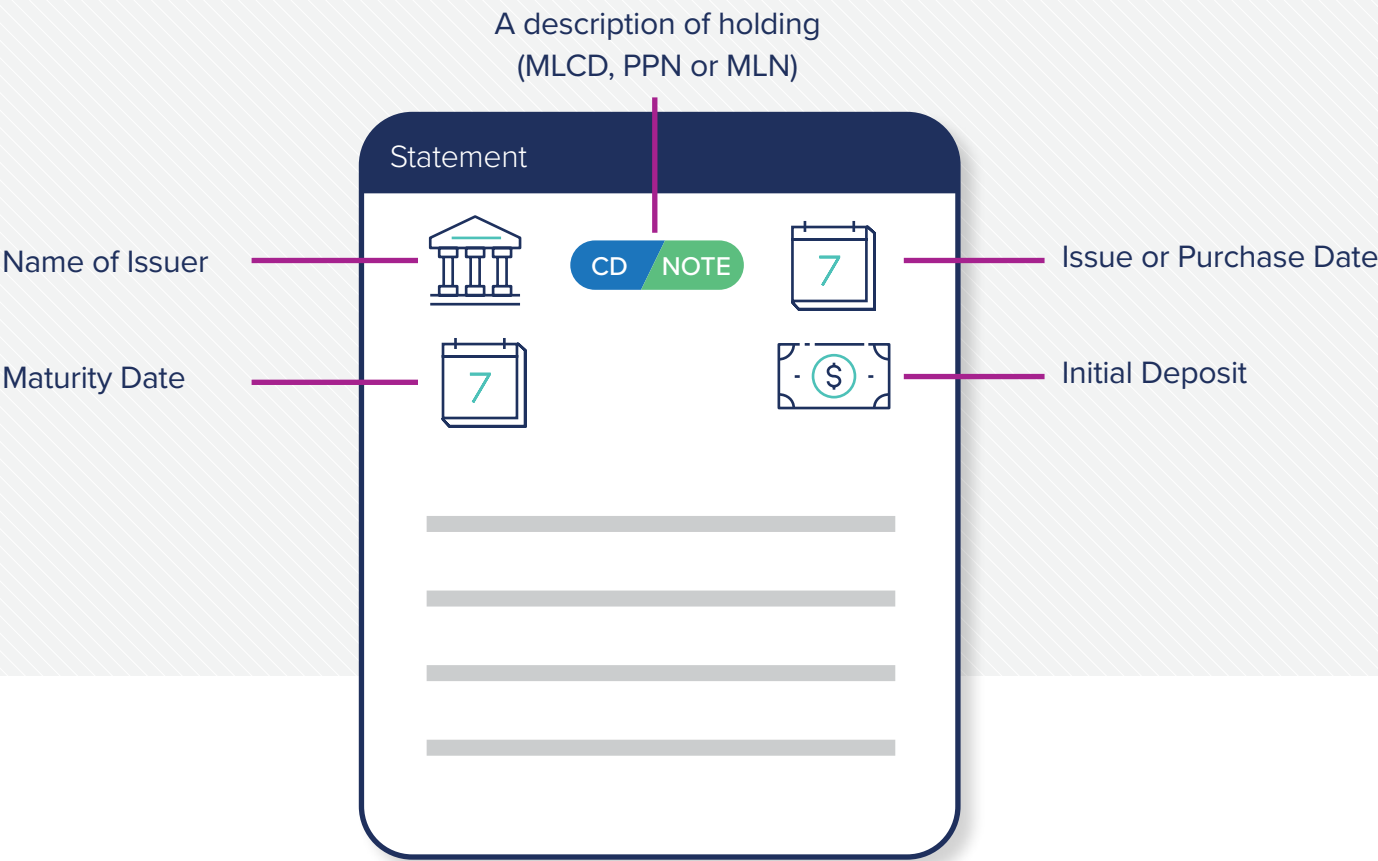


MLN

Market-Linked Notes

Statement formats vary by firm or broker dealer. When holding structured products, there are certain features to look for and understand.

In addition to the Current Value, the statement will generally list:



Understanding how your investment is valued

Value at Initial Investment

When looking at your first statement after initial purchase you may ask: Why is the value of my investment less than what I deposited?

After a primary offering, the initial market value of your investment will typically be discounted to reflect the approximate amount of the up-front fees which may include administrative costs, structuring and development costs, distribution fees as well as any commissions.

However, it is important to remember that all terms of the strategy, including any participation rates, caps, coupon payments, downside protections and principal return, is based on the full initial investment amount.¹

Initial Investment					
Structure type	Initial Purchase Date	Maturity date	Initial deposit	Minimum value at maturity	Current value
MLCD	Last month	in 7 years	\$100,000	\$100,000	\$95,000

This is a hypothetical example of a Market-Linked CD with 100% principal protection and insured through FDIC coverage.¹ The illustration is for informational and educational purposes only.

Value Throughout Investment Lifecycle

As your investment progresses through its lifecycle, you may ask: Does time to maturity impact what I see on my statement?

Throughout the lifecycle of the investment various factors will start to impact the value shown on your statement.

Interim Statement - Underlying Asset Value Down					
Structure type	Initial Purchase Date	Maturity date	Initial deposit	Minimum value at maturity	Current value
MLCD	3.5 years ago	in 3.5 years	\$100,000	\$100,000	\$89,000

Interim Statement - Underlying Asset Value Up					
Structure type	Initial Purchase Date	Maturity date	Initial deposit	Minimum value at maturity	Current value
MLCD	3.5 years ago	in 3.5 years	\$100,000	\$100,000	\$127,000

This is a hypothetical example of a Market-Linked CD with 100% principal protection and insured through FDIC coverage.¹ The illustrations are for informational and educational purposes only.

Market value movements will generally be more sensitive to interest rate and/or equity market volatility the further the investment is from its maturity date. Similar movements closer to the maturity date result in less fluctuation in pricing. Changes to an issuer's existing credit rating can also affect the market value.

¹ Any return of principal, as well as interest and gains generated are subject to the credit risk of the issuer and term of the offering documents, which could include participation rates, interim caps, and various risks. There is no guarantee of return above principal. The Federal Deposit Insurance Corporation (FDIC) insures principal amounts up to applicable limits in the event the issuer becomes insolvent.



Remember: It's about value at maturity

It is important to understand that the values reflected on your statement throughout the life of the investment, are not necessarily what you will receive at maturity.

The value on your statement is **the current market value as of the date of the statement** and what you might expect to receive if the Market-Linked Product is sold at the time the statement is reported.

Since Market-Linked Products are intended as buy and hold investments, it is important to remember that there may not be a liquid secondary market for the CD or Note, and the value of the investment may be less than the principal amount if sold prior to maturity.

Depending on your firm or broker dealer, the minimum value at maturity may not be displayed on your statement. That is why it is important to remember that for Market-Linked CDs, with full FDIC insurance, or Principal Protected Notes, regardless of the performance of the underlier, 100% of the initial investment will be returned at maturity, subject to the credit risk of the issuer.¹

For Market-Linked Notes the minimum value at maturity will be dictated by the value of the underlier and the level of principal protection outlined in the offering documents.

If you have any questions regarding the value of the Market-Linked Product on your statement, speak with your financial professional and review all the relevant offering documents.

¹ Any return of principal, as well as interest and gains generated are subject to the credit risk of the issuer and term of the offering documents, which could include participation rates, interim caps, and various risks. There is no guarantee of return above principal. The Federal Deposit Insurance Corporation (FDIC) insures principal amounts up to applicable limits in the event the issuer becomes insolvent.

What you should know before investing in Market-Linked Products...

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

Call risk

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

Credit risk

For a Market-Linked CD, any investment above the FDIC allowable limit is subject to the credit risk of the issuer, as are any market-linked returns. A Market Linked Note or Principal Protected Notes represents a senior unsecured debt that is subject to the credit risk of the issuer. If the issuer goes into default, any return of principal, interest and gains generated could be at risk of loss.

Fees

MLPs 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.

Liquidity risk

MLPs 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. If you are able to redeem MLPs 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.

Performance risk

MLPs pay 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. MLPs do not pay dividends. If dividends are declared on the underlying asset, they will be excluded when calculating the performance. 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 MLP.

Tax implications

The tax treatment and timing of tax payments for a Market-Linked Product vary depending on the structure and type of account it resides in. For Market-Linked CDs and Principal Protected Notes in non-retirement accounts, you may be required to pay ordinary income tax on the Original Issue Discount (OID) amount calculated by the issuer each year, even if you do not receive interest payments during the life of the investment. Your brokerage firm or account custodian should provide the applicable 1099 forms for tax purposes. For specific terms, please refer to the offering documents or consult a tax professional. For additional information, please refer to the offering documents.

Volatility

Volatility refers to the amount of uncertainty or risk in a investment's value, and the size of changes in that value. Higher volatility indicates that the price of the investment has the potential to change dramatically over a short period of time, in either direction. Volatility, the degree of positive and negative swings in the index, may increase or decrease. Uncertainty in the market can have a negative effect on statement values.



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The investment products discussed herein are considered complex investment products. Such products contain unique features, risks, terms, conditions, fees, charges, and expenses specific to each product. The overall performance of the product is dependent on the performance of an underlying or linked derivative financial instrument, formula, or strategy. Return of principal is not guaranteed and is subject to the credit risk of the issuer. Investments in complex products are subject to the risks of the underlying reference asset classes to which the product may be linked, which include, but are not limited to, market risk, liquidity risk, call risk, income risk, reinvestment risk, as well as other risks associated with foreign, developing, or emerging markets, such as currency, political, and economic risks. Depending upon the particular complex product, participation in any underlying asset ("underlier") is subject to certain caps and restrictions. Any investment product with leverage associated may work for or against the investor. Market-Linked Products are subject to the credit risk of the issuer. Investors who sell complex products or Market-Linked Products prior to maturity are subject to the risk of loss of principal, as there may not be an active secondary market. You should not purchase a complex investment product until you have read the specific offering documentation and understand the specific investment terms, features, risks, fees, charges, and expenses of such investment.

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For all Market-Linked Products, excluding 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