



InterNotes®

Incapital® new issue corporate debt designed for individual investors

With a broad range of InterNotes® you can:

Consider investment strategies that complement your portfolio's overall asset allocation

Seek opportunities for potentially higher yields from well-known corporate issuers

Take advantage of multiple issues with varying terms to help achieve your investment goals

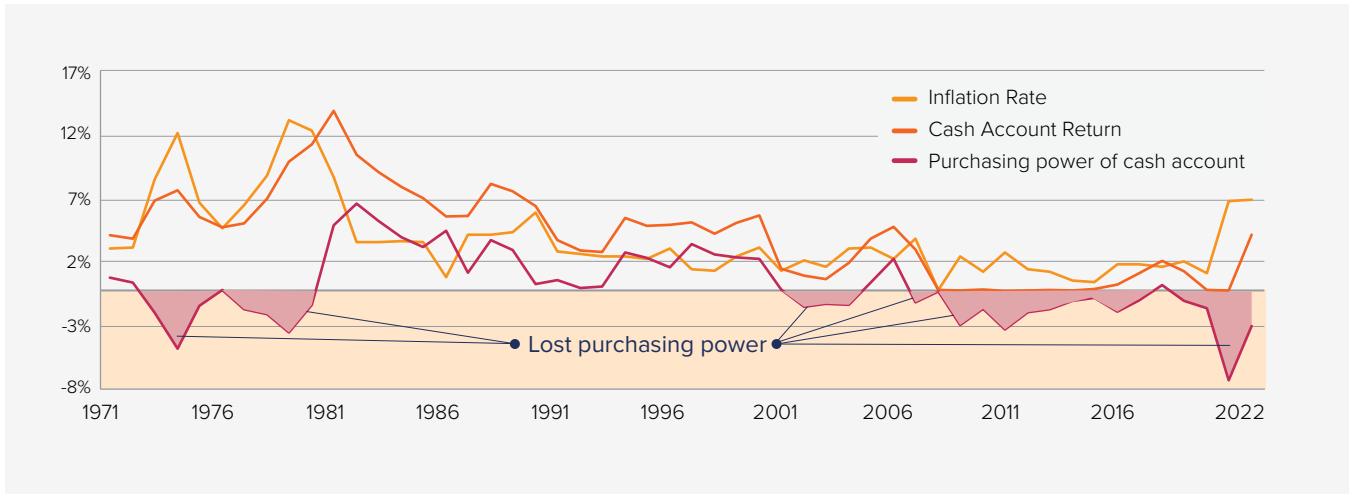
Enjoy the benefit of a Survivor's Option,¹ subject to the terms of the offering documents

Learn how investing in Incapital® notes, including InterNotes, can help fine-tune your investment portfolio to do more.

¹ For more details on the Survivor's Option, please refer to page 8 of this document.

What if... you are concerned that the cost of keeping your cash on the sidelines is having a negative impact on your financial future?

Cash account return – Inflation rate = Purchasing power



Source: Bloomberg LP Data is for the time period December 1971 to December 2022. The Cash Account return is represented by 3-month Treasuries observed at the end of the 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.

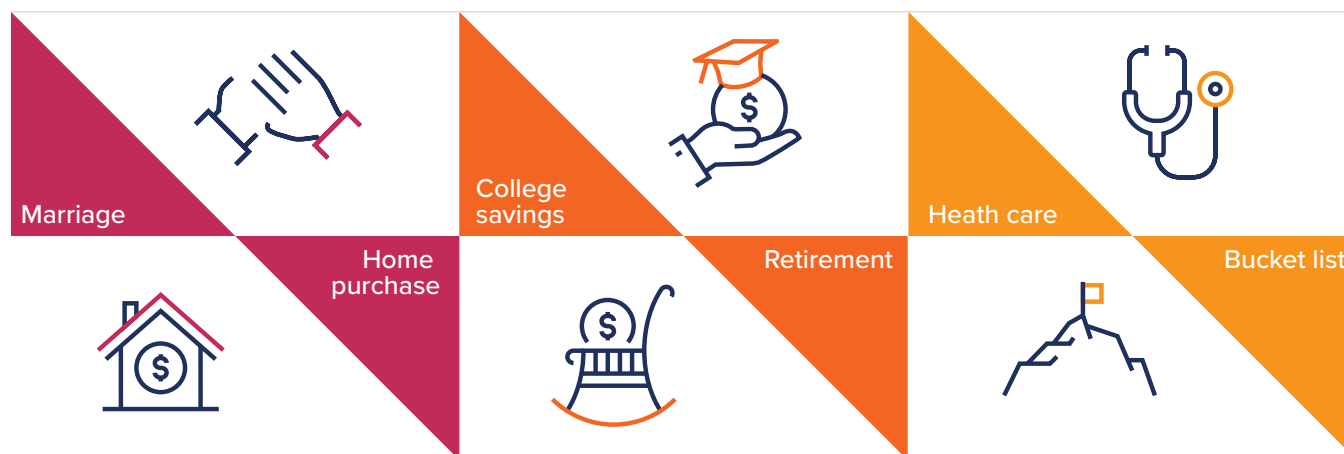
- ▶ **Your financial ability to buy products and services is your purchasing power, which can be eroded by inflation.** By considering InterNotes® offerings that allow you to purchase at par² with competitive coupon rates, your fixed income investments may help your portfolio stay ahead of inflation.³

² Alternative purchase rates may apply to certain client accounts.

³ There is no guarantee that the investment return of InterNotes will exceed current or future rates of inflation. Inflation risk is a particular concern for investors who are planning to live off their investment income.

What if... you have specific income goals you need to achieve in order to meet your financial objectives?

Life happens



- ▶ **It is possible to diversify your sources of income.** InterNotes® investments give you a variety of new-issue choices every week – allowing you to select by maturity, issuer, credit rating, coupon rate, and interest payment schedule. By laddering, or investing in multiple issues with different terms, you can broaden your fixed income allocation to generate periodic income payments⁴ in intervals appropriate for your investment strategy.

⁴ The periodic income payments, as outlined in the offering documents, are subject to the credit risk of the issuer of the InterNotes. If an issuer defaults on the payment, no future income payments will be made.

The benefits of flexibility

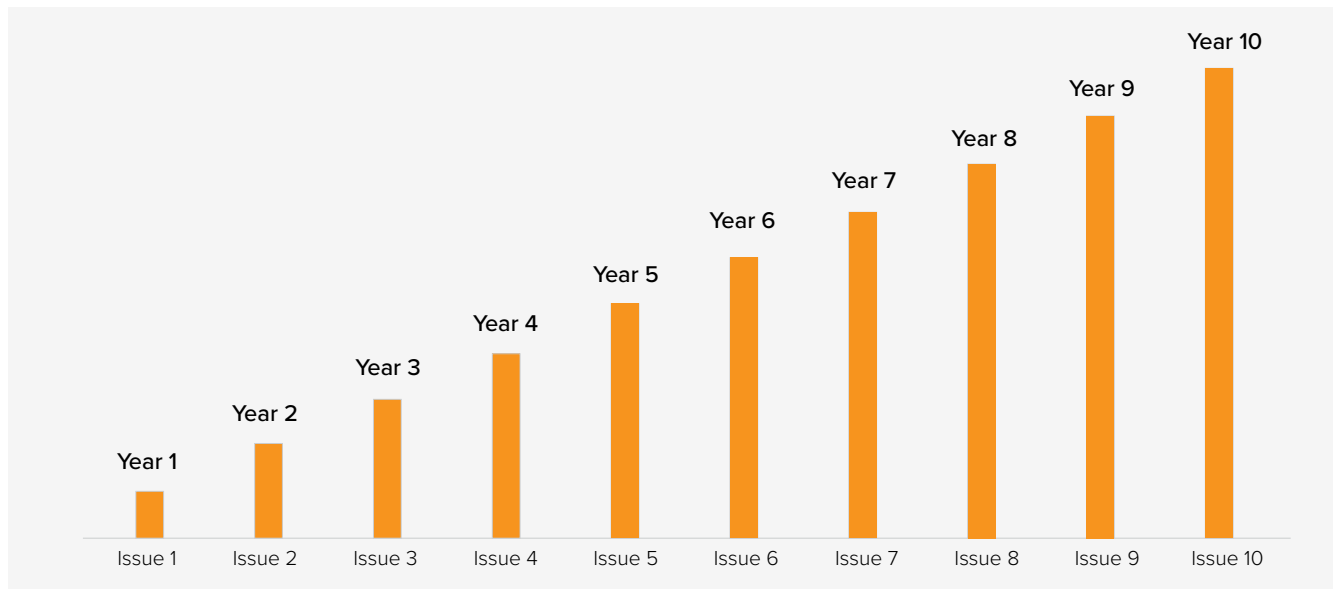
Laddering investments over several issues with different maturities can provide access to a range of coupon yields, maturities, issuers, credit ratings, coupon rates, and income payment schedules.

► **This may provide:**

- Increased diversification
- Customizable cash flow
- Continued liquidity
- Higher average yield

The hypothetical example below demonstrates how spreading your investment over 10 years provides you with the opportunity to split your investable assets among various InterNotes® issues maturing at different intervals.

Laddering investments over 10 years



This chart is for illustrative purposes only and is not indicative of any investment. InterNotes, if held to maturity, provide a fixed rate of return and a fixed principal value, subject to the credit risk of the issuer. InterNotes carry the risk of default, meaning the issuer at any time may be unable or unwilling to make scheduled interest and/or principal payments. Diversification of InterNotes issuers and maturities does not guarantee a profit or protect against a loss. Investing in InterNotes carries additional risks which include, but are not limited to, interest rate risk, liquidity risk, and call risk. The longer the duration of a bond, the more sensitive its price is to changes in interest rates. Interest rate risk is not a concern if the InterNotes are held to maturity. Different environments, economic periods, and market conditions will produce different results. Please refer to the information detailed in the relevant prospectus/offering documentation for a complete discussion of the terms and conditions of the respective offering. Additionally, page 10 outlines a more complete discussion of the risks associated with InterNotes.

⁵ If you sell InterNotes prior to maturity, you may receive more or less than your original investment, and there is no assurance that a secondary market will be maintained. Refer to page 10 for liquidity risks.



Understanding InterNotes®

InterNotes investments enable individual investors to buy new issue corporate notes that offer access to well-established brands from sectors such as financial services, telecommunications, and automotive industries. They can provide you with the flexibility you need to achieve specific income goals in your fixed income strategy, while tailoring your portfolio to your personal values and preferences.

► **It's important to understand some of the terms of InterNotes prior to investing.**

Price

Investors can purchase InterNotes at par,² or face value, and in \$1,000 increments. Unlike other investments, the purchase price is the same regardless of the size of your investment. By purchasing InterNotes at the initial offering price, you are not subject to either premium or discount pricing, and there is no accrued interest at purchase. The terms are clear and transparent.

Maturities

InterNotes are designed as buy-and-hold investments with maturity terms ranging from 1 to 30 years. You can build a fixed income strategy that gives you income payments that best suit your investment goals.

Offering period

InterNotes offerings are generally available for 5 business days. This gives you ample time to make an informed decision, unlike other investments that are offered and close quickly.

² Alternative purchase rates may apply to certain client accounts.

You have choices

Fixed rate notes

Incapital® notes are generally offered as Fixed Rate Notes, which have coupon rates that are set at the initial offering date and remain constant throughout the life of the notes. Investors can select InterNotes® investments with coupon features that best suit their individual strategies. Various coupon payment frequencies that may be available include monthly, quarterly, semi-annually, and annually.

Callable and non-callable

Incapital® notes are available in both callable and non-callable form. Some have call provisions, which means they can be redeemed, or paid off, at the issuer's discretion, or subject to the terms of the notes, prior to maturity. Typically, an issuer will call InterNotes® investments when interest rates fall, potentially leaving investors unable to reinvest in alternative notes with similar or better terms.

Survivor's Option

Most Incapital® notes feature a Survivor's Option. This feature allows your estate to redeem the notes at par prior to maturity. See page 8 for more information on the Survivor's Option and how it can help your estate planning.



Investing for your estate

InterNotes® investments can offer a strategy for passing on wealth to your heirs with a feature called the Survivor's Option. If you invest in InterNotes with a Survivor's Option and pass away before the maturity date, your estate has the option of redeeming them with the issuer at par, subject to the terms in the offering documents. Your principal is protected⁶ and passed on to your estate. This helps mitigate risk during your estate planning. Payments to your estate include principal and any accrued interest. Some restrictions on Survivor's Options, discussed generally below, may apply, so refer to the offering documents for complete details.

Minimum Holding Period

Most issuers require that Incapital notes be held for six months or one year before any Survivor's Option can be exercised.

Maximum Redeemable Amount

There may be dollar limits on the amount that any individual beneficiary can redeem at one time or during a single year. Usually, this amount ranges from \$200,000 to \$250,000 per issuer. Redemption of higher amounts during a single year can be achieved by investing in different issuers.

Payout Procedure

Redemption payments are made on a schedule set by each issuer.

Issuer Annual Limit

Each issuer has an annual limit of how much principal all investors' heirs can redeem in total each year. While the limit varies by issuer, a typical limit is the greater of 2% of the aggregate principal amount of Incapital InterNotes outstanding or \$2 million. After that, heirs exercising their Survivor's Options would be put in a queue for redemption.

Exercise of Option

The beneficiaries of Incapital notes must exercise their Survivor's Option before they take possession. In other words, the notes must be held in the estate of the deceased owner.

▶ Incapital® notes with a Survivor's Option work in multiple markets

When InterNotes are trading for more than what you paid – Your heirs have the option of selling the notes and taking the capital appreciation

When InterNotes are selling for less than what you paid – Your heirs can receive the full value of the initial investment – or principal – by redeeming the notes back to the issuer, subject to the applicable terms described above

⁶ Return of principal will be realized at maturity, or if called by the issuer, and is subject to the credit risk of the issuer.

What if...

you are committed to socially responsible investments?

You can align your personal values with your financial goals. InspereX provides access to socially responsible InterNotes® issuers. You can choose your areas of focus and impact through values-based product offerings that address environmental, economic, and social impact concerns.

Issuers include:

Not-for-profit organizations focused on creating positive social change through community housing, education, and environmental programs

International organizations that provide project loans and technical assistance to areas of extreme poverty

Institutions that support private sector development to help eradicate poverty



What you should know before investing in InterNotes®

Call risk

Some Incapital notes have call provisions, which means they can be redeemed, or paid off, at the issuer's discretion, or subject to the terms of the notes, prior to maturity. Typically, an issuer will call InterNotes when interest rates fall, potentially leaving investors unable to reinvest in alternative notes with similar or better terms.

Credit risk

As unsecured debt, Incapital notes are subject to the credit risk of the issuer. If the issuer defaults on its obligations, some or all of your coupon payments and principal could be at risk. Additionally, changes to an issuer's credit rating will generally affect the secondary market value of InterNotes.

Interest rate risk

When interest rates rise, bond prices typically fall; when interest rates decline, bond prices usually rise. Changes in interest rates may reduce or increase the market value of Incapital notes. The longer the maturity of InterNotes, the greater the impact that changing interest rates can have on their price. If you plan to hold InterNotes until their maturity, the impact on the market value from changes in interest rates is not a concern.

Liquidity risk


While many broker-dealers maintain an active secondary market that may allow the option to resell Incapital notes at prevailing market rates, there is no assurance that a secondary market will be maintained. If you sell InterNotes prior to maturity, you may receive more or less than your original investment.

Survivor's Option limits

Incapital notes issuers that provide Survivor's Options may choose to limit the aggregate principal amount of notes that may be redeemed in any one calendar year under the Survivor's Option terms. There may also be calendar year limits on the exercise of the Survivor's Option on behalf of any one deceased owner. There may be a holding period before beneficiaries can exercise their Survivor's Option, and there can be no assurance that exercise of the desired amount will be permitted in any single calendar year. Refer to the offering documents for details, if applicable.

Tax implications

When held to maturity, Incapital notes incur no capital gain or loss on the original investment. Coupon payments are taxed as ordinary interest income. Tax consequences of InterNotes features may depend on the particular terms. Before purchasing InterNotes, please consult with your tax advisor. You should also read the applicable tax risk disclosures in the offering documents when considering the purchase of InterNotes.



Speak with your financial advisor about the risks and suitability of Incapital® notes, including InterNotes® investments, in your portfolio.



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Any financial product sold prior to maturity may be worth more or less than the original amount invested. Depending upon the specific product offering, investment risks include, but are not limited to, interest rate risk, credit risk, call risk, and liquidity risk. Additionally, the products discussed herein are not FDIC insured, may lose value, and are not bank guaranteed. Investors should refer to the offering documents for applicable risk considerations.

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