

Structured Notes: Diversify Using Risk Managed Structured Products

Structured Notes are designed to meet specific investment objectives, whether it is competitive investment returns with limited principal protection, or alternatives for generating higher yields in investors' portfolios. They also provide individual investors access to a diverse array of asset

classes, such as commodities and foreign currencies. Provided they are held until maturity, and subject to credit risk of the issuer, these structured products may offer a unique investment opportunity.

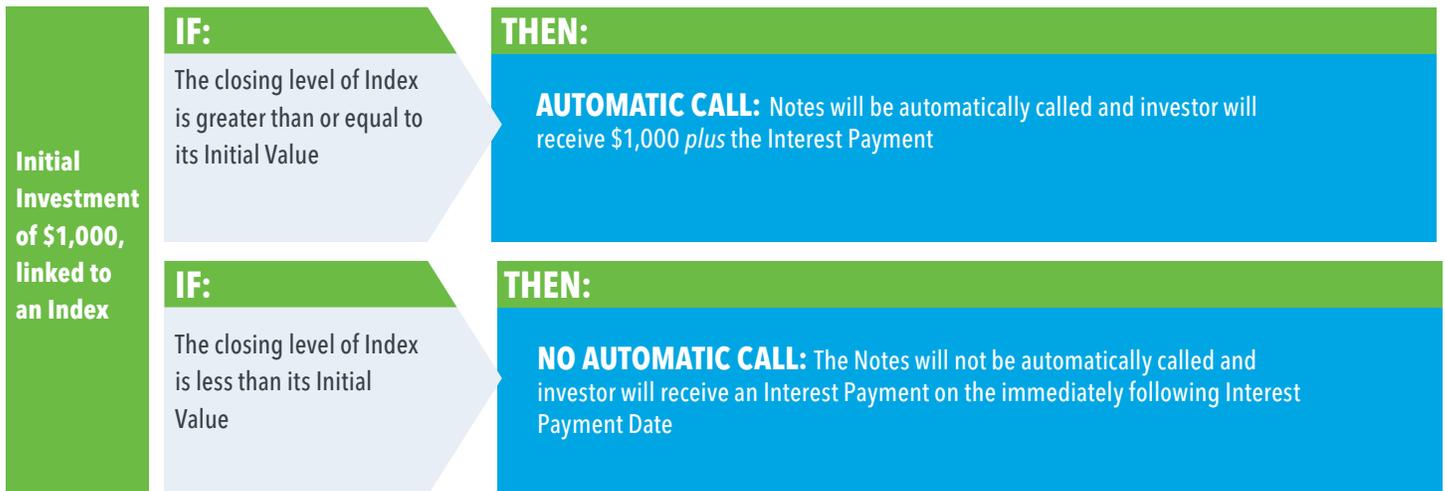
By combining features of a fixed-income

security with the potential for yield, we try to ensure that our Structured Notes offerings remain competitive and provide investors an adaptable, risk-appropriate choice across market cycles.

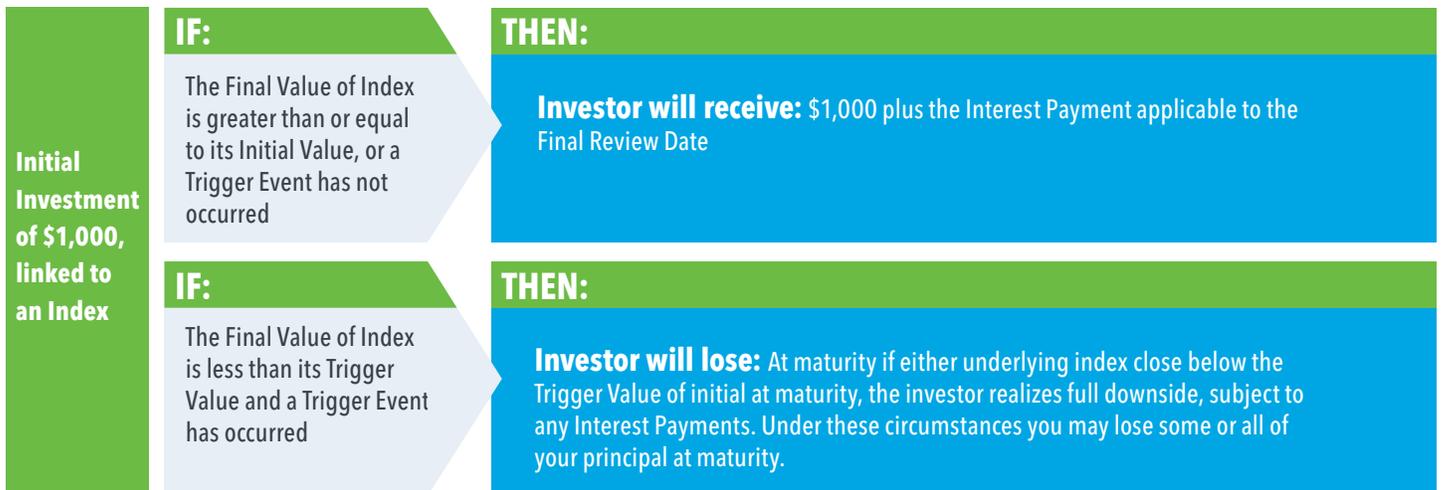
How Do They Work?

While different Notes have different investment goals and approaches, the following is an example of how Notes generally function.

Payments At Review Dates



Payments At Maturity



Hypothetical example for demonstrative purposes only. Not an actual Note.

INVESTOR PROFILE

Structured Notes can provide an innovative way to help investors meet a variety of risk/return profiles. To determine whether these investments are an appropriate match for investors, consider the following questions:

- What is the investor’s investment time horizon?
- Is the investor willing to sacrifice higher returns in exchange for limited principal protection?
- Is the investor more concerned with meeting specific goals than with achieving more alpha?
- Does the investor have specific income needs?
- Is the investor able to sacrifice access to capital for long periods of time?
- Does the investor have a bullish, bearish, or neutral market outlook?
- Can the investor do without a regular stream of income?

The answers to these questions should help you ascertain whether Structured Investments belong in your clients’ portfolios. At a minimum, taking the time to gain a better understanding of clients’ financial goals and risk tolerance can be its own reward, as it may lead to deeper, more productive client relationships.

Hypothetical Example: Callable Yield Note with 12 Month Maturity Linked to S&P 500 & Russell 2000 Indexes

INITIAL INVESTMENT \$1,000

TRIGGER VALUE: 70% of initial value of underlying Index

	Flat Market 0% Return	Down Market No Trigger	Down Market Trigger Event	Note Called after 1st Quarter	Trigger Event w/Market Recovery
Interest Rate:	7.00%	7.00%	7.00%	7.00%	7.00%
Trigger Value:	-30.00%	-30.00%	-30.00%	-30.00%	-30.00%
S&P 500 1YR Return:	0%	-28.00%	-32.00%	5.00%	-10.00%
Russell 2000 1YR Return:	0%	-24.00%	-35.00%	7.00%	-12.00%
Note Maturity Value:	\$1,000	\$1,000	\$650	NA	\$880
Interest Payment:	\$70.00	\$70.00	\$70.00	NA	\$70.00
Called Note Value:	NA	NA	NA	\$1,000	NA
Interest Pymnt: Pro Rated	NA	NA	NA	\$17.50	NA
Total Principal & Interest	\$1,070	\$1,070	\$720.00	\$1,017.50	\$950.00

*This example is for illustrative purposes only and should not be construed as a recommendation or solicitation of any particular investment product/strategy. Investments and/or investment strategies involve risk including the possible loss of principal. There is no assurance that any investment strategy will achieve its objective. These indicies are not available for direct investment.

See Glossary for Definition of Terms.

Structured Note Dollar Cost Averaging Strategy

- Structured Notes are one way to help mitigate risk in client portfolios because they can limit exposure to market pullbacks via the downside buffering built into the product.
- These notes still have exposure to volatility and significant drawdowns in the market based on the underlying index performance.
- One way to help dilute that volatility exposure is to Dollar Cost Average your note allocations over 3-6 months based on a minimum allocation of \$15,000. (\$5k/month for 3 or 6 months)
- We do this to spread the structured note allocation’s exposure to market movements in the underlying indexes.

Similar to traditional dollar cost averaging strategies, if the underlying indexes drop sharply in one month our overall note allocation is not fully exposed to that movement, only partially. We are also now able to allocate to a new note the following month with a potentially lower trigger point due to the index drop the prior month.

GLOSSARY

Dollar Cost Averaging—An investment strategy for reducing the impact of volatility on large purchases of financial assets such as equities by dividing the total sum to be invested in the market (e.g. \$100,000) into equal amounts put into the market at regular intervals (e.g. \$1000 over 100 weeks).

Final Value—With respect to each Index, the closing level of that Index on the Review Date.

Lesser Performing Index—The Index with the Lesser Performing Index Return.

Lesser Performing Index Return—The lower of the Index Returns of the Indices.

Index Return—With respect to each Index, (Final Value – Initial Value) Initial Value.

Initial Value—With respect to each Index, the closing level of that Index on the Pricing Date.

Monitoring Period—The period from but excluding the Pricing Date to and including the Review Date.

Review Dates—Periodic calendar date that a Note is reviewed by issuing company to determine if the Note will be called or there has been a trigger event.

Russell 2000 Index—measures the overall performance of small-cap to mid-cap U.S. company shares. Please note an investor cannot invest directly in an index.

S&P 500 Index—is an unmanaged index generally considered representative of the large-cap U.S. stock market. Please note an investor cannot invest directly in an index.

Trigger Event—A Trigger Event occurs if, on any day during the Monitoring Period, the closing level of either Index is less than its Trigger Value.

Trigger Value—With respect to each Index, the Trigger Value is a percentage of decrease in the underlying from its Initial Value.

IMPORTANT RISK INFORMATION

A purchaser should evaluate and understand all of the risks and costs of an investment in Structured Notes (SNs) prior to making any investment decision. A purchase of an SN entails other risks not associated with an investment in conventional bank deposits. A purchaser may not have a right to withdraw his/her investment prior to maturity or could incur substantial penalties for an early withdrawal, if permitted. A purchaser should carefully read the disclosure statement and any other disclosure documents for a SN before investing.

An investment in SNs is not FDIC insured and is subject to credit risk. The actual or perceived creditworthiness of the note issuer may affect the market value of SNs. SNs will not be listed on any securities exchange. Even if there is a secondary market, it may not provide enough liquidity to allow purchasers to trade or sell SNs. As a holder of SNs, purchasers will not have voting rights or rights to receive cash dividends or other distributions or other rights in the underlying assets or components of the underlying assets. Certain built-in costs are likely to adversely affect the value of SNs prior to maturity. The price, if any, at which the notes can be purchased in secondary market transactions, if at all, will likely be lower than the original issue price and any sale prior to the maturity date could result in a substantial loss. SNs are not designed to be short-term trading instruments. Purchasers should be willing to hold any notes to maturity. The tax consequences of SNs may be uncertain. Purchasers should consult their tax adviser regarding the U.S. federal income tax consequences of an investment in SNs. If a SN is callable at the option of the issuer and the SN is called, the holder will receive only the applicable redemption amount and will not receive any coupon payments that would have been payable for the remainder of the term of the SN. SNs are Not FDIC Insured, May Lose Principal Value and are Not Bank Guaranteed.

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