Understanding Market-Linked Note

Statement Values

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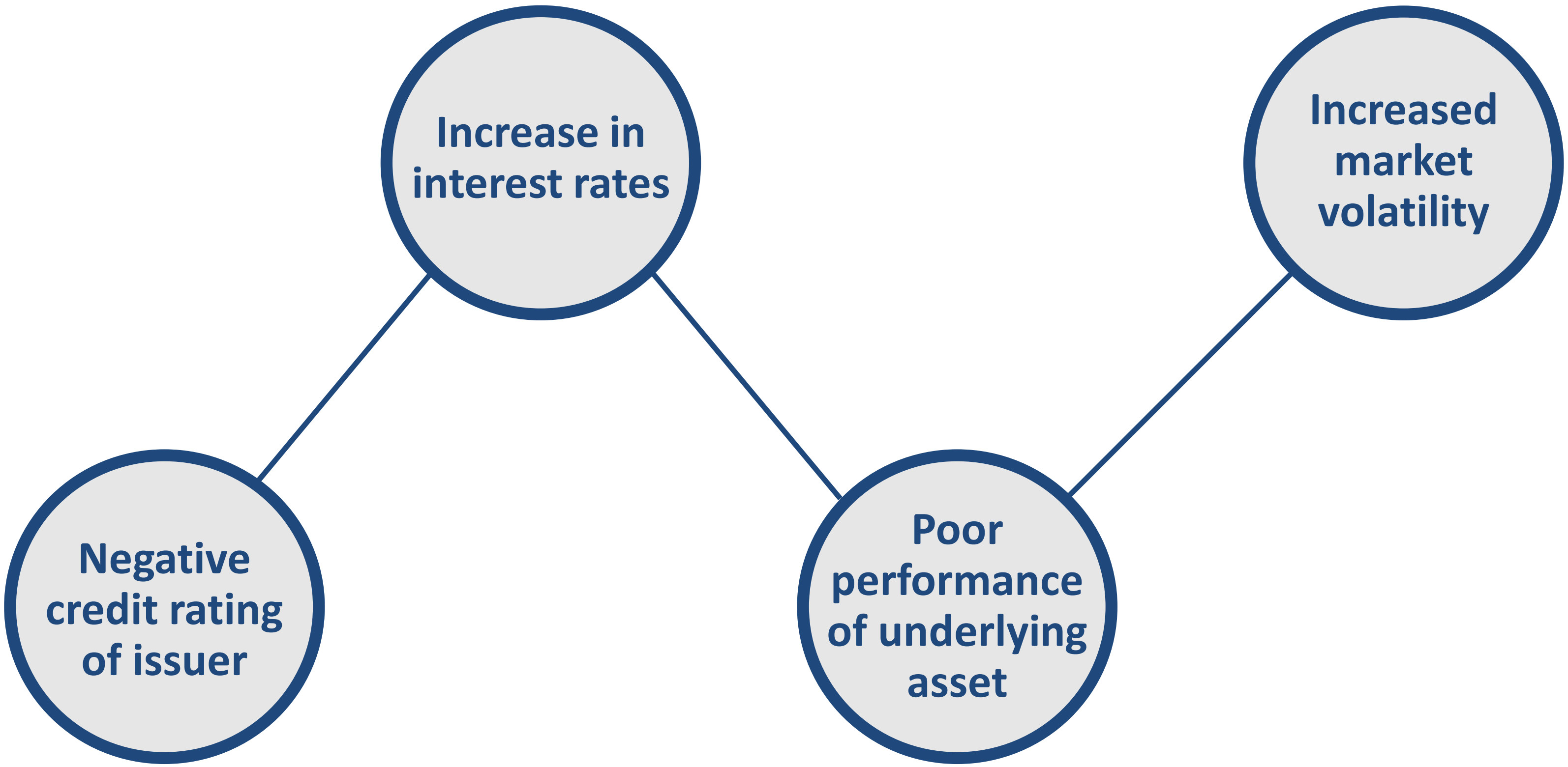
Understanding Statement Values

The pricing on Market-Linked Notes, which include Principal Protected Notes, is different from that of traditional investments on your brokerage statement.

- The value reported will fluctuate and may be less than the initial amount invested.
- Market-Linked Notes are intended to be held until maturity.
- The value reported will reflect an estimate of the current market value of the Market-Linked Note, less fees.
- The value does not reflect what you would receive if you held the Market-Linked Note to maturity.

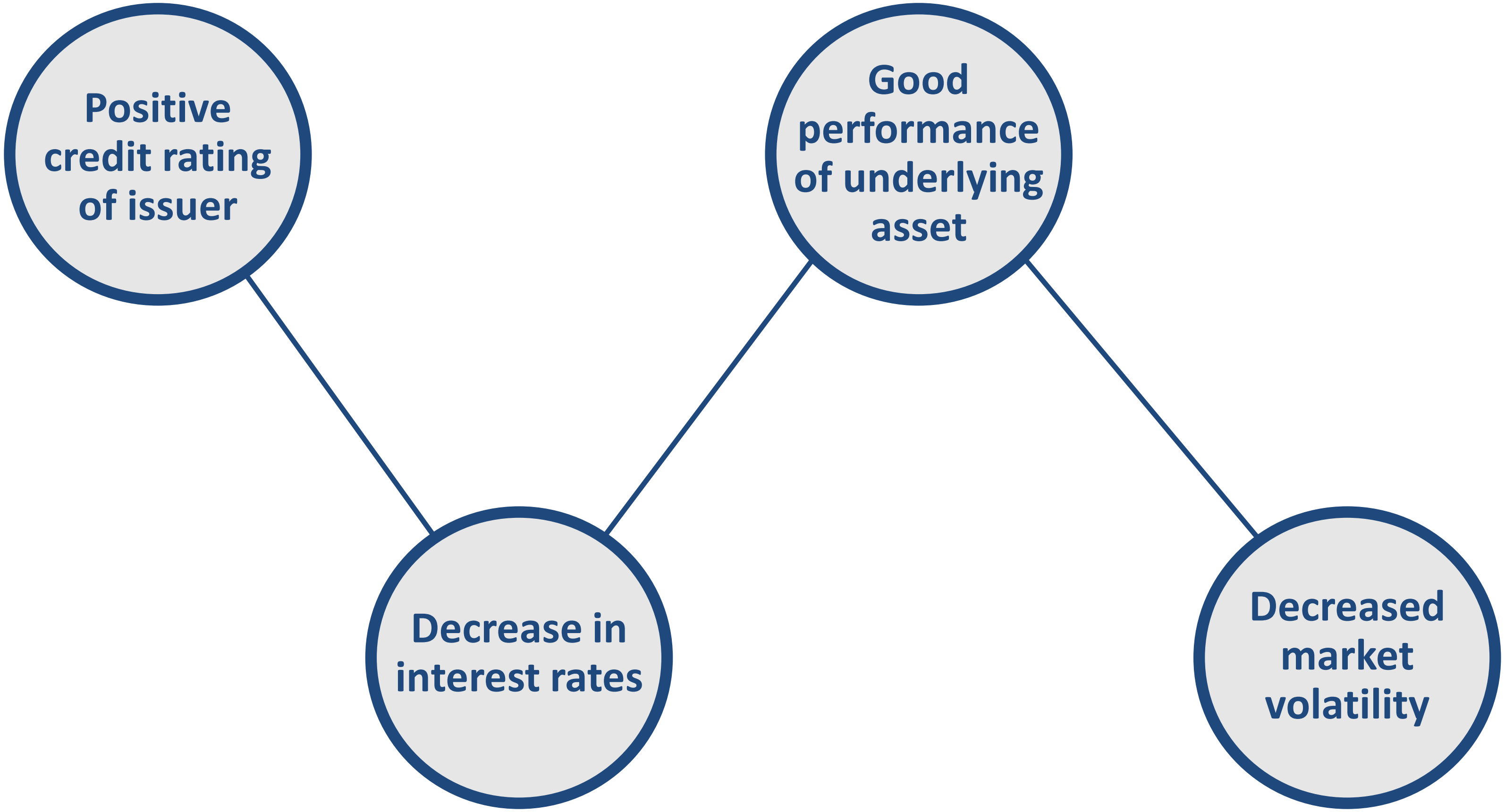
Factors Impacting Statement Values

There are several factors that can negatively impact the value you see on your statement.



Factors Impacting Statement Values

If these factors move in the opposite direction, they can have a positive impact on the value seen on your statements.



Understanding Statement Values*

INITIAL STATEMENT

Holding	Initial Investment	Minimum Value at Maturity	Current Value
CORPORATE BOND ISSUER	$100,000		**$95,000**
PPN WITH INTEREST AT MATURITY		$100,000	
OR		*OR*	
MLN WITH INTEREST AT MATURITY		Refer to Offering Document	
LINKED TO: EQUITY INDEX			
ISSUE DATE: LAST MONTH			
MATURITY: IN 7 YEARS			

Why is the value of my note less than what I invested?

Estimated Value and Costs: You may see the value reported on your initial statement as being lower than the amount invested due to incurred fees such as Advisor commissions and issuing and distribution fees.

Time to Maturity: Generally, the longer the time to maturity, the bigger the impact of the price swing in either direction. As a Market-Linked Note gets closer to its maturity date, there is more certainty in its pricing.

* This hypothetical illustration is for informational and educational purposes only. The value reflected on your statement will fluctuate and can be affected by various factors. Please refer to the offering documents for the specific instrument you own.

Understanding Statement Values*

INTERIM STATEMENT – UNDERLYING ASSET VALUE DOWN

Holding	Initial Investment	Minimum Value at Maturity	Current Value
CORPORATE BOND ISSUER	$100,000		**$89,000**
PPN WITH INTEREST AT MATURITY		$100,000	
OR		*OR*	
MLN WITH INTEREST AT MATURITY		Refer to Offering Document	
LINKED TO: EQUITY INDEX			
ISSUE DATE: 3.5 YEARS AGO			
MATURITY: IN 3.5 YEARS			

INTERIM STATEMENT – UNDERLYING ASSET VALUE UP

Holding	Initial Investment	Minimum Value at Maturity	Current Value
CORPORATE BOND ISSUER	$100,000		**$127,000**
PPN WITH INTEREST AT MATURITY		$100,000	
OR		*OR*	
MLN WITH INTEREST AT MATURITY		Refer to Offering Document	
LINKED TO: EQUITY INDEX			
ISSUE DATE: 3.5 YEARS AGO			
MATURITY: IN 3.5 YEARS			

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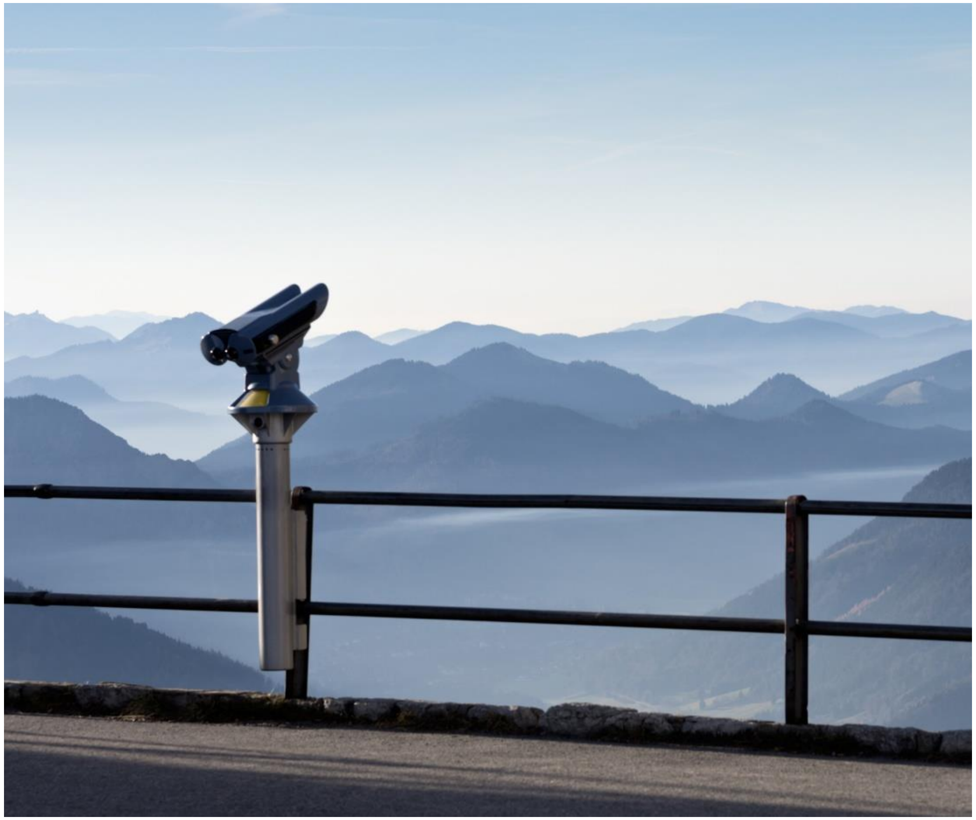
What Does This Mean for My Return at Maturity?

- The statement value reflects an estimate of the current market value of the note, it does not affect your return at maturity.
- The minimum value at maturity of a Principal Protected Note is still equal to your initial investment if there is no appreciation of the underlyer, subject to the credit risk of the issuer.
- To determine the value of a Market-Linked Note at maturity, refer to the terms in the offering documents.



What Does This Mean for My Return at Maturity?

With Market-Linked Notes, some of your principal may be protected against losses at maturity, but some or all of your principal could be at risk, depending on the terms of the offering or if the issuer defaults on its payment obligations.

What you should know before investing in Market-Linked Notes (MLNs), including Principal Protected Notes (PPNs)...

CALL RISK
Some MLNs 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 MLN when it is most advantageous for them to do so. If the MLN is called, it is possible that the investor may be unable to reinvest in a MLN with similar or better terms.

CREDIT RISK
Any adverse changes to the credit rating of the issuer could negatively impact the value of your MLN.

FEES
MLNs are subject to fees and costs including commission paid to your Advisor, 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 the cost of all the associated fees and costs. MLNs, when held to maturity, may return the initial principal, subject to the credit risk of the issuer, regardless of fees.

LIQUIDITY RISK
MLNs 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 clients are able to redeem MLNs prior to maturity, the redemption proceeds may be less than the amount they invested due to fluctuations in the underlying assets and other market-related factors.

MARKET RISK
MLNs are linked to the performance of specified underlying assets. The return on MLNs can be adversely impacted if the underlying assets perform poorly. Depending on the terms of the relevant MLNs (outlined in the offering document), market risk could result in no return above the principal amount. In the case of some MLNs, depending on the performance of underlying assets, the payment you receive at maturity may be less than the principal amount invested.

PERFORMANCE RISK
The MLN 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. MLNs do not pay dividends. If dividends are declared on the underlying asset, they will be excluded when calculating the performance of the MLN. The performance of the underlying assets will affect the statement value, although it is not the only factor. Some MLNs are not structured to repay your full principal amount on the stated maturity date. For these MLNs, depending on the performance of the market measure, the payment you receive at maturity may be less than the original offering price of the MLNs.

TAX IMPLICATIONS
The tax treatment of MLNs is complicated, varies depending on the structure, and in some cases is uncertain. PPNs may be treated as a “contingent debt instrument” for federal income tax purposes if they are held in a non-qualified account. While a PPN 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.

VOLATILITY
Volatility refers to the amount of uncertainty or risk in a security’s value, and the size of changes in that value. Higher volatility indicates that the price of the security 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 upon 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 asset classes to which the product may be linked, which include, but are not limited to, market risk, liquidity risk, call risk, income 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 or linked product is subject to certain caps and restrictions. Any investment product with leverage associated may work for or against the investor. Market-Linked Products (MLPs) are subject to the credit risk of the issuer. Investors who sell complex products or MLPs 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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NOT FDIC INSURED	NOT BANK GUARANTEED	MAY LOSE VALUE	NOT A BANK DEPOSIT	NOT INSURED BY ANY GOVERNMENT AGENCY

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