

Advanced Markets

Highest Daily Value Growth Strategy With Principal Protection

Market-Linked CDs and Principal Protected Notes with a “Highest Daily Value” payoff are designed to provide uncapped growth linked to the highest captured value of the underlying index, while protecting against losses at maturity.¹ Index performance is tracked and recorded at the end of each trading day during the observation period (initial trade date through maturity date).

Determining the “Highest Daily Value” Payoff at Maturity

- 1 Observe the performance of the underlier from initial trade date through maturity date.
- 2 Record ending index levels from each trading day during observation period.
- 3 Isolate the highest ending index level recorded during observation period.

Hypothetical Example



- 4 Determine any resulting index growth based on the locked-in **Highest Daily Value**.

$$\frac{\text{Highest Daily Value Return}}{\text{Highest Daily Value} - \text{Initial Index Level}} \times \text{Initial Index Level}$$

- 5 At maturity, multiply the **Highest Daily Value return, if positive, by the participation rate of the investment.**

Hypothetical Example

$$\frac{(\text{Highest Daily Value}) \mathbf{1200} - (\text{Initial Index Level}) \mathbf{1000}}{(\text{Initial Index Level}) \mathbf{1000}}$$

$$\text{Highest Daily Value Return} = \mathbf{20\%}$$

If the “highest daily value” return is negative, the investor receives the full return of their principal investment¹

$$(\text{Highest Daily Value Return}) \mathbf{20\%} \times (\text{Participation Rate}) \mathbf{175\%}$$

$$\text{Investors' Return} = \mathbf{35\%}$$

The above chart is a hypothetical example for illustrative purposes only.

¹ Any return of principal, interest and gains generated is subject to the credit risk of the issuer and terms of the offering documents, which could include participation rates, interim caps and various risks. Dividends paid on the underlying asset are not passed through to the Market-Linked Product. There is no guarantee that a Market-Linked Product will generate a positive return. Any applicable downside protection will be realized only at maturity. For Market-Linked CDs, the Federal Deposit Insurance Corporation (FDIC) insures principal amounts up to applicable limits in the event the issuer becomes insolvent.

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It's Important to Note...

Market-linked products are intended to be buy and hold investments. There may not be a liquid secondary market and if sold prior to maturity, principal may be at risk. Any return of principal, interest and gains generated is subject to the credit risk of the issuer. For market-linked CDs, the FDIC insures principal amounts up to applicable limits in the event the issuer defaults. Dividends paid on the underlying index are not passed through to the market-linked product. To understand the specific terms that may impact the performance of a particular MLCD, you should review the relevant offering documents.

Questions?

Contact InspereX at **888.849.5732** or **advisorsupport@insperex.com**

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