Market-Linked Product

Contingent Coupon Barrier Note Strategies

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

InspereX

What if...

You are looking for the opportunity to earn enhanced yields but want to diversify away from traditional fixed income securities?

Contingent Coupon Market-Linked Notes , considered complex investments, may help you achieve your financial goals if you are:

— Seeking above market coupon rates but willing to take the risk of missing coupon payments due to the performance of the underlier[1]

— Looking for some level of principal protection while seeking high coupon rates[1]

— While seeking enhanced yield, you are willing to accept that the time horizon may be shortened if the note is called

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. Participation rates refer to the degree or method to which an investor can participate in the potential appreciation, or growth, of an underlier. A cap represents the highest level of growth, or maximum return, an investor could receive from the investment, regardless of the actual return of the underlier. Any applicable downside protection will be realized only at maturity. Return at maturity could be less than the original amount invested.

You have choices

Underlier

Where do you want market exposure?

Contingent Coupon Market-Linked Notes are linked to the performance of at least one or more underlying assets ("underliers"). Examples of typical underliers include indices such as the S&P 500®, Dow Jones Industrial Average® (DJIA), Russell 2000®, NASDAQ 100®, stock baskets, exchange traded funds, or asset allocation strategies.

Downside protection

How much of your principal do you want to protect?

Contingent Coupon Market-Linked Notes provide an opportunity to combine the income goals you seek with the associated level of downside protection you desire. Levels can range from full principal protection, to some or no downside protection at all. If applicable, the protection level seeks to absorb losses up to a predetermined level at maturity.[1]

Maturity

What is your investment time horizon?

Contingent Coupon Market-Linked Notes come in a variety of time periods that commonly range up to 7 years. They are intended to be buy and hold investments that are held to maturity. It is possible the investment may be called, or terminated, prior to maturity either at the discretion of the issuer or automatically if certain conditions are met on predetermined periods as detailed in the offering documents. If called, you will no longer own the investment and your full principal plus any owed interest will be returned, subject to the credit risk of the issuer.

Upside potential

What is your desired level of income?

Contingent Coupon Market-Linked Notes offer the potential for enhanced coupons. Coupon payments are determined by whether or not the performance of the underlier remains above a certain threshold, called the "coupon barrier", on predefined observation dates. For example, a note with a coupon barrier of 80% pays if the performance of the underlier does not fall below 20% of the initial level on the predetermined observation dates. If you are seeking a greater likelihood of a coupon payment you may, for example, choose a coupon barrier of 60% which pays a coupon if the underlier performance does not fall below 40% of the initial level.[1]

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What features are best for you?

Contingent Coupon Market-Linked Notes have several features that you must consider when determining if they are right for you, including call features, coupon and principal barriers.

A **call feature** means a note may be called prior to the maturity date at which time the investment is terminated. A note can be called monthly, quarterly, semi-annually, or annually. There are two types of call features:

An **"issuer callable note"** is a note that the issuer can buy back and dissolve at its discretion. It generally occurs after a predetermined period of time has passed, and then at any time prior to the maturity date. If the note is "called" you will retain any coupons previously paid plus your initial investment and potentially the final coupon payment.

Unlike issuer callable notes, an **"autocallable note"** means the note is automatically called prior to maturity, generally after a predetermined period of time, and if the underliers meet certain predefined performance criteria at specific times throughout the investment. If the note is "autocalled" you will retain any coupons previously paid, plus your initial investment and potentially the final coupon payment. Unlike callable notes, autocallable notes may not be dissolved at the discretion of the issuer.

There are two types of barrier levels to be aware of that will impact the payments of Contingent Coupon Market-Linked Notes.

A **coupon barrier** offers investors the potential for a coupon payment if the performance of the underlier is at or above a predetermined level, on a specific observation date. As long as the investment is not autocalled or called by the issuer, the process may repeat at the end of every coupon observation date. At the time of the observation date, the performance of the underlier must be at or above the coupon barrier to receive a coupon payment. If not, then no coupon payment will be made.[1]

The **principal barrier** is based on the performance of the underlier and determines whether the full amount of the principal will be returned, or if there will be a loss of principal at maturity.[1]

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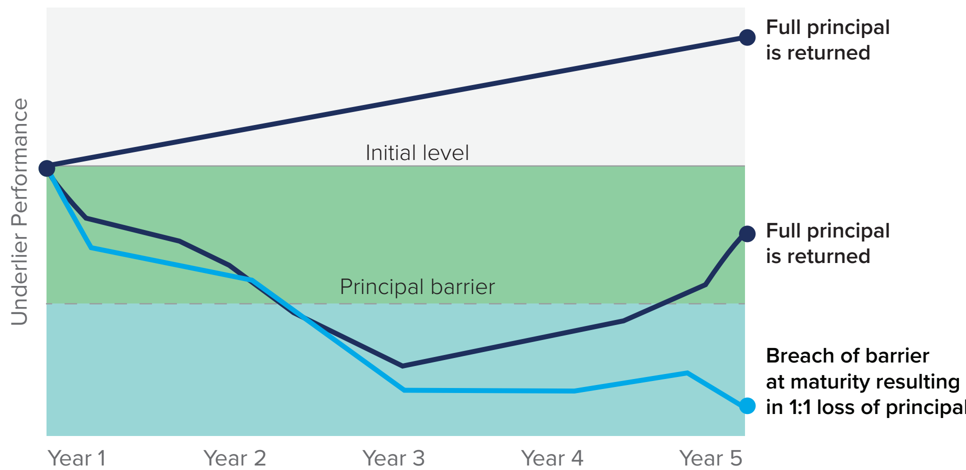
Understanding the different principal barriers

A **European Principal Barrier** is measured on the maturity date of the offering. On that date, if the performance of the underlier is above the principal barrier, your principal will be returned in full, subject to the issuer credit risk. If the principal barrier at maturity is breached, this will result in a loss of principal.

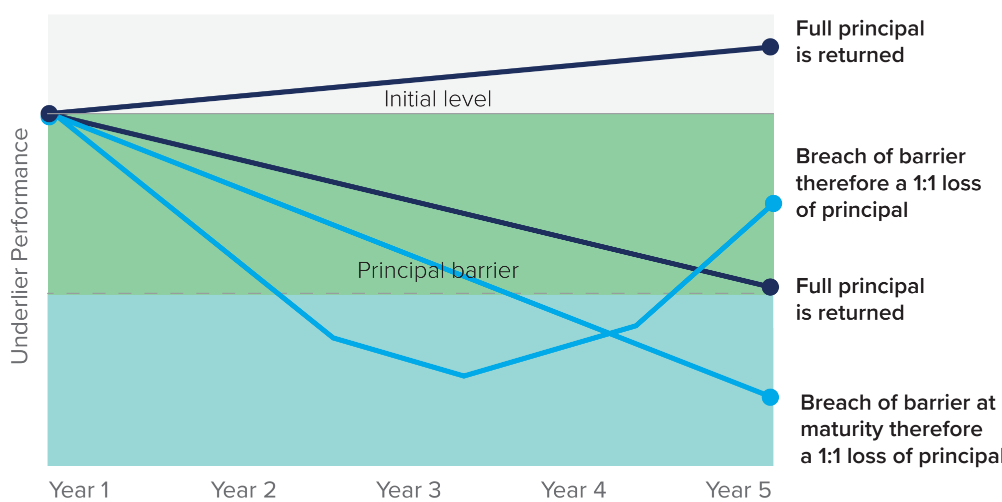
This chart is for illustrative purposes only.



- If performance at maturity is **above** the principal barrier, the full principal is returned (dark blue line).
- If performance at maturity is **below** the principal barrier, a 1:1 loss of principal will occur (light blue line).

An **American Principal Barrier** is observed throughout the term of the investment. On any observation dates, which is typically daily, if the principal barrier is not breached, your principal will be returned in full at maturity, subject to the credit risk of the issuer. If, at maturity, the principal barrier is breached on any observation date, including maturity, the principal is “at risk”.

This chart is for illustrative purposes only.



- If every close of business trading day stays **above** the principal barrier for the duration of the note, the full principal will be returned (dark blue line).
- If the principal barrier is **breached** on even one trading day during the life of the investment, there may be a loss of principal at maturity (light blue line) if the underlies is below its initial level.

Understanding your coupon payment during the investment and at maturity

Contingent Coupon Market-Linked Notes have predefined observation dates to determine whether the investment will be called and whether a coupon payment will be paid. These observation dates have clearly defined performance thresholds, as described in the offering documents, that must be achieved for a coupon payment to occur or whether principal, if any, will be returned at maturity.

Outcomes at each coupon observation date

Coupons are paid as long as the performance of the underlier remains above the coupon barrier. When the performance of the underlier is below the coupon barrier, no coupon payment is made.

This chart is a hypothetical example of a note that is not autocalled and for illustrative purposes only.

Investment is autocalled

If the note is “autocalled” for meeting certain predefined peformance criteria, you will retain any coupons previously paid. Additionally you will receive your principal plus any final coupon payments.

This chart is a hypothetical example and for illustrative purposes only.

No-call periods

Some autocallable notes are non-callable for a set period of time - most commonly for one year. During that time if the performance of the underlier is above the coupon barrier, you will receive the coupon on the observation date.

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What you should know before investing in Contingent Coupon Notes

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

Call risk

If the Market-Linked Note is autocalled, it is possible that you may be unable to reinvest in another Market-Linked Note with similar or better terms.

Credit risk

Contingent Coupon Notes represent senior unsecured debt that is subject to the credit risk of the issuer. If the issuer goes into default, any return of principal and gains generated could be at risk of loss.

Fees

Contingent Coupon Market-Linked Notes are subject to fees and costs, including a possible 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 the cost of all the associated fees and costs. Please refer to the offering documents for a full list of fees.

Liquidity risk

Contingent Coupon Market-Linked Notes are intended to be held until maturity, and there is no formal secondary market for the product, which may make early redemptions difficult and subject to a variety of market-related factors. In the event that you are able to redeem Contingent Coupon Market-Linked Notes prior to maturity, the redemption proceeds may be less or more than the amount you invested due to fluctuations in the underlying assets and other market-related factors.

Market risk

Contingent Coupon Market-Linked Notes are linked to the performance of the underlying assets. The return on Contingent Coupon Market-Linked Notes can be adversely impacted if the underlying assets perform poorly. Depending on the performance of underlying assets, the payment you receive at maturity could result in no return above the principal amount invested.

Performance risk

The Market-Linked Product pays a return based upon the performance of an underlying asset as outlined in the offering documents. These terms may include interim caps, averaging, and the rates of participation in the underlying asset. Contingent Coupon Market-Linked Notes do not pay dividends. If dividends are declared on the underlying asset, they will be excluded when calculating Market-Linked Product performance.

Principal risk

Some Contingent Coupon Market-Linked Notes are not structured to repay your full principal amount on the stated maturity date. For these Contingent Coupon Market-Linked Notes, depending on the performance of the market measure, the payment you receive at maturity may be less than the original offering price of the Contingent Coupon Market-Linked Notes.

Tax implications

The tax treatment of Contingent Coupon Market-Linked Notes is complicated, varies depending on the structure, and in some cases is uncertain. Before purchasing any Market-Linked Product, please consult with a tax advisor. You should read the applicable tax risk disclosures in the offering documents when considering the purchase of Contingent Coupon Market-Linked Notes.

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CCN-BRO-0623