



Market-Linked Product

Point-to-point growth strategy

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

What if...

you are looking for growth opportunities but are concerned about possible market declines?

A Point-to-Point strategy within a Market-Linked CD or a Principal Protected Note can help provide the growth you are looking to achieve with returns based on the performance of the market.

You can invest with confidence knowing that 100% of your principal is protected, subject to the credit risk of the issuer.¹

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. There is no guarantee of return above principal. For Market-Linked CDs, the Federal Deposit Insurance Corporation (FDIC) insures principal amounts up to applicable limits in the event the issuer becomes insolvent.

You have choices

Point-to-Point Market-Linked Products (Point-to-Points) are uniquely flexible and complex investments that provide choices with respect to market exposure, time horizon and downside protection and growth.¹ Before investing in Point-to-Points, you should ask yourself some important questions.



Underlier

Where do you want market exposure?

Point-to-Points are linked to the performance of one or more underlying assets (underliers), such as a basket of stocks or indices that provide exposure to equity markets, multiple asset classes or popular themes.



Downside protection

What degree of protection are you seeking?

Point-to-Points are 100% principal protected,¹ if held to maturity, and subject to the credit risk of the issuer. In the case of a Point-to-Point Market-Linked CD, that principal is also FDIC-insured up to applicable limits, in the event of issuer insolvency.



Maturity

What is your investment time horizon?

As a buy and hold investment, Point-to-Points have maturities that generally range up to 10 years. Generally the longer the maturity, the greater the likelihood there will be a wider variety of growth features from which to choose.



Upside potential

What is your desired level of growth?

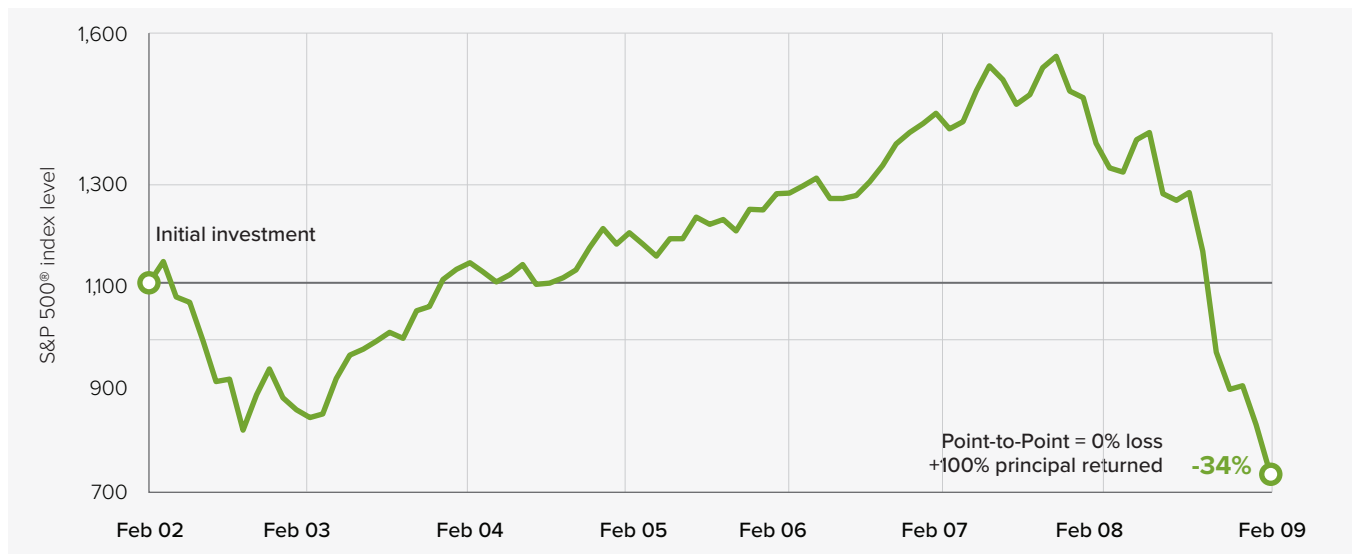
Any positive returns are linked to the performance of the underlier. A Point-to-Point provides the potential for growth based on a “participation rate” in the potential appreciation of the underlier. This rate could be in excess of 100% (1.0x). Additionally, there may be a “cap” on the upside, which is the maximum return regardless of the underlier’s gain.

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How does it work?

The return on a Point-to-Point is based on the performance of an underlier from the time of the initial purchase to the end of the investment period. The hypothetical examples below show a 10-year Point-to-Point tracking the S&P 500® Index at different times in the market. Assume there is a 100% (1.0x) participation rate, which means for every 1% gain in the index, the Point-to-Point gains 1%.

Index performance down at maturity: Principal returned



Source: Bloomberg. Data represents the last trading day of the month from December 2012 to December 2022. The market is represented by the S&P 500® Index, which is an unmanaged group of securities and considered to be representative of the U.S. stock market in general. An investment cannot be made directly in an index. Past performance is no guarantee of future results.

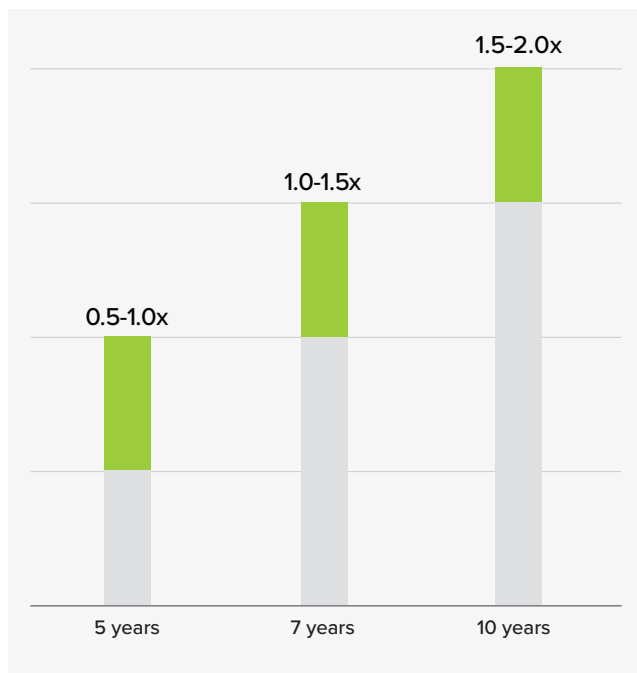
Index performance up at maturity: Principal + gains returned



Source: Bloomberg. Data represents the last trading day of the month from February 2011 to February 2021. The market is represented by the S&P 500® Index, which is an unmanaged group of securities and considered to be representative of the U.S. stock market in general. An investment cannot be made directly in an index. Past performance is no guarantee of future results.

Understanding the tradeoffs

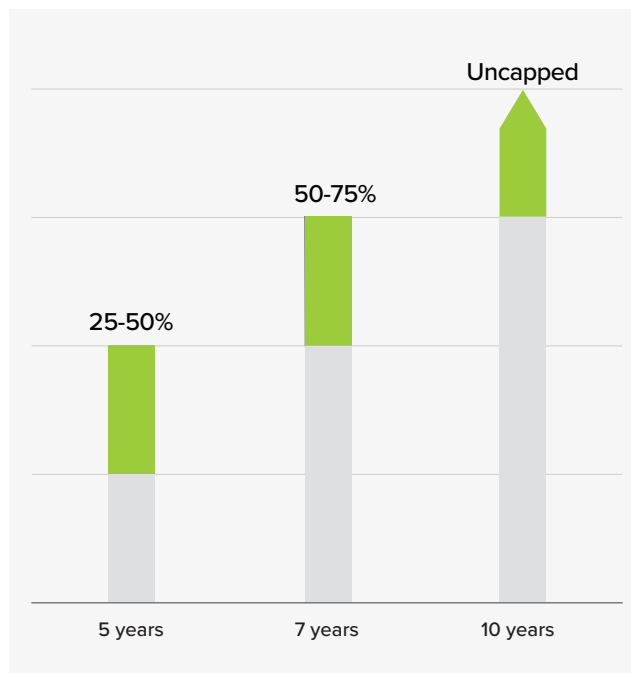
Maturity vs participation rate



This chart is hypothetical and for illustrative purposes only.

Point-to-Points provide the flexibility you need to determine how long you want to invest in exchange for varying levels of potential growth. For example, if you desire a higher participation rate, you must be willing to accept a longer maturity. A participation rate can be in excess of 100% (1.0x).

Maturity vs cap (maximum return)



This chart is hypothetical and for illustrative purposes only.

If you desire a shorter maturity, you may have to accept a cap on the maximum return, which means not receiving growth above a certain level regardless of the actual return on the underlier.

Are Point-to-Point strategies right for you?

If you're cautious about taking on risk yet want to participate in the markets, Point-to-Points can help protect a portion of your core equity portfolio and allow you to invest for growth with confidence.¹

A Point-to-Point provides you with the potential to capture upside gains based on the performance of the underlier at maturity. It also provides full downside protection¹ should the underlier's value drop below the initial investment level at maturity.

Dividends paid directly on the underlier are not passed through to the Point-to-Point. It is important to note that there may not be a liquid secondary market, and, the value of the investment may be worth less than the principal amount if sold prior to maturity.

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What you should know before investing in Point-to-Point Market-Linked Products

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

Call risk

Some Point-to-Point Market-Linked Products (MLPs) are callable or redeemable, solely at the option of the issuer. The issuer is not obligated to redeem a callable CD or note, and will typically call an MLP when it is most advantageous for them to do so. If the MLP is called, it is possible that you may be unable to reinvest in an MLP with similar or better terms.

Credit risk

An MLP represents an unsecured debt that is subject to the credit risk of the issuer. Due payments, if any, as well as any market-linked returns, are subject to the credit risk of the issuer.

FDIC insurance

Market-Linked CDs (MLCDs) are FDIC-insured in the event of issuer insolvency, up to the applicable limits of \$250,000 per account ownership category and for each account owner and each of their beneficiaries. Any investment that exceeds the FDIC limit is subject to the credit risk of the issuer. If the issuer has guaranteed the return of principal, the FDIC will cover both the principal and accrued interest, up to the applicable insurance limit. However, if interest is only credited at maturity of the CD, no interest would be insured. InspereXSM only partners with bank issuers of MLCDs that are insured with the FDIC. While there is no maximum limit on the amount that you can invest in MLCDs, FDIC insurance only covers MLCDs up to the maximum insurance limits.

Fees

MLPs are subject to fees and costs, including 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 all the associated fees and costs, which are detailed in the offering documents. Point-to-Point MLPs, when held to maturity, will return the initial principal, subject to the credit risk of the issuer, regardless of fees.

Liquidity risk

MLPs are intended to be held to 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 you are able to redeem MLPs prior to maturity, the redemption proceeds may be less than the amount you invested due to fluctuations in the underlying assets and other market-related factors. In the case of MLCDs, FDIC insurance does not protect against losses should the MLCDs be sold or redeemed prior to maturity.

Market risk

MLPs are linked to the performance of specified underlying assets. If sold prior to maturity, the return can be adversely impacted if the underlying asset performs poorly. At maturity, poor performance of the underlying asset could result in no return above the principal amount.

Performance risk

MLPs pay a return at maturity based upon the performance of an underlying asset as outlined in the offering documents. These terms could include interim caps which represents the highest level of growth or maximum return you can receive from an investment, regardless of the actual return of the underlier, if applicable. Other terms could include rates of participation which refers to the degree or method to which an investor can participate in the potential growth or appreciation of the underlier. MLPs do not pay dividends. If dividends are declared on the underlying asset, they will be excluded when calculating the performance of the MLP. There are a variety of factors that may influence the performance of the underlying asset such as volatility, interest rate moves, and time to maturity. Additionally, potential fees charged on the underlying asset may reduce or eliminate any positive return in that underlying asset, thereby reducing the return on the MLP.

Tax implications

MLPs may be treated as a "contingent debt instrument" for federal income tax purposes if they are held in a non-qualified account. While an MLP 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.



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Not FDIC insured // Not bank guaranteed // May lose value // Not a bank deposit // Not insured by any government agency