

Principal Protected Notes

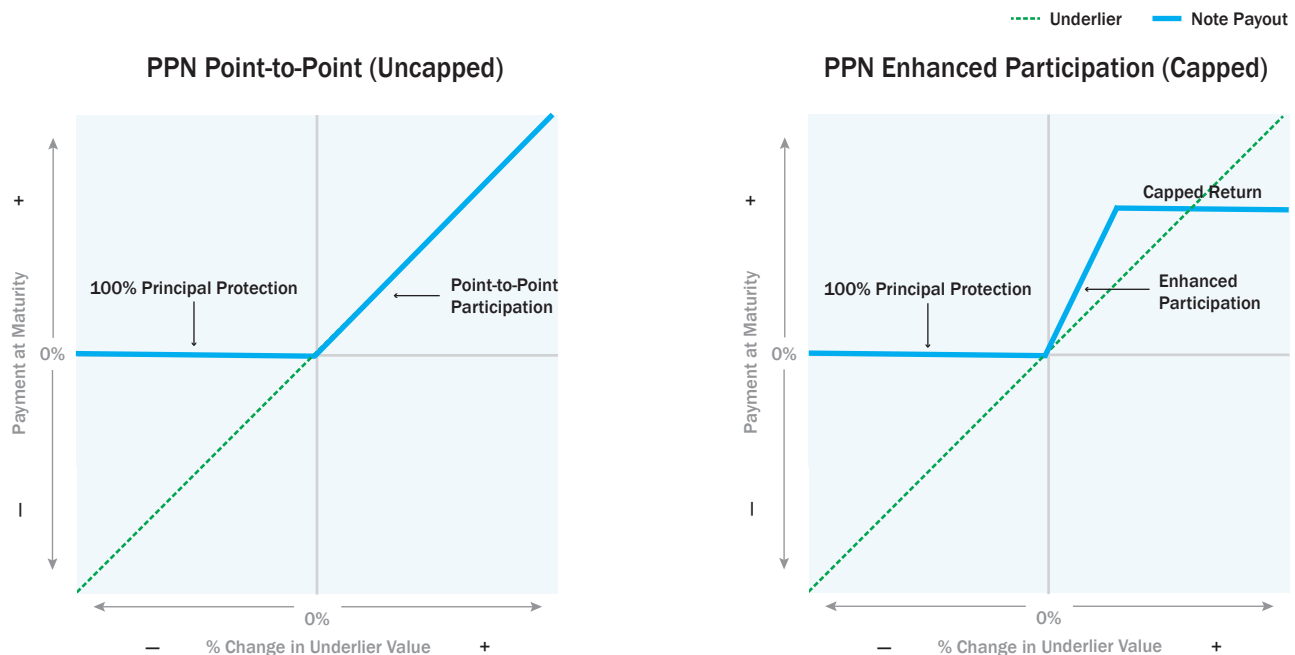
Market participation with 100% principal protection at maturity

Principal Protected Notes (PPNs) provide the opportunity to participate in the market, based on the performance of an underlying asset, commonly referred to as an “underlier”. At maturity, if the performance of the underlier is positive, the investor may receive a positive return based on the terms of the note. This upside participation can be “point-to-point” (1-to-1 upside or 100%), “enhanced” (greater than 1-to-1 upside, e.g. 1.2x or 120%), or partial (less than 1-to-1 upside, e.g. 90%). Additionally, the return can be “capped”, which limits the investment return at maturity. Generally, PPNs with lower participation rates have a higher capped return compared to PPNs with higher participation rates which typically result in lower capped returns.

If the performance of the underlier is negative, the note is redeemed at par and the investor receives their full principal investment at maturity, **subject to the creditworthiness of the issuer.**

Principal Protected Notes (PPNs) are intended to be held to maturity and only guarantee full return of principal at maturity, subject to the creditworthiness of the issuer. If an investor sells their investment prior to maturity, they may receive a return less than their original investment.

Hypothetical illustration - payout profile of a Principal Protected Note (PPN) at maturity



For illustrative purposes only. These hypothetical examples are intended only to illustrate the potential impact various return scenarios may have on an investor’s return at maturity, assuming all amounts are paid when due. This information should not be taken as an indication or prediction of investment results. Specific terms and conditions will vary based on the individual terms of the note resulting in different payout structures and risks.

Definitions

Capped return: Maximum positive return an investor can receive based on the terms of the note.

Enhanced return: Also referred to as “leverage”, greater than 100% upside participation in the performance of the underlier at maturity, may be capped.

Initial level: The value of the underlier on the trade date.

Point-to-point return: 1-to-1 participation (or 100%) in the upside performance of the underlier over a stated time period.

Underlying asset (underlier): Structured Investments provide a return based on the performance of a reference asset or index to which the investment is linked. Common underliers include indices, individual equities, commodities, interest rates, and currencies.

Selected Risks

Structured notes have complex features and may not be suitable for all investors. They are sold only by prospectus and investors should read the prospectus and pricing supplement carefully before investing as they contain a detailed explanation of the risks, tax treatment, and other relevant information about the investment. The tax treatment of structured notes varies depending on the offering and can be uncertain in some cases. Structured products are sold through financial professionals and investors should consult their accounting, legal, and/or tax professional before investing.

Selected risks associated with Principal Protected Notes (PPNs) include, but are not limited to:

Creditworthiness of the issuer. Structured notes are unsecured obligation of the issuer and therefore are subject to the risk of default. The issuer’s creditworthiness is an important consideration when evaluating any structured products.

Fees. Structured notes are subject to fees and costs, which may include amounts payable to your financial professional, structured and development costs, and offering expenses.

Intended to be held to maturity. If an investor sells the note prior to maturity, they may receive an amount less than par. PPNs may not be appropriate for investors needing immediate access to their principal investment.

Liquidity risk. Typically, the issuer will maintain a secondary market; however, there is no obligation to do so. There may be little to no secondary market available.

Market risk. Volatility and other market forces can affect the value of the underlying asset, which can affect return. Historical performance of the underlying asset is no guarantee of future performance.

Participation risk. Some PPNs limit participation of the underlying asset, capping potential return. In addition, even if the underlying asset is linked to equities, investors will not receive any dividend payments.

The information contained herein is not intended to be a complete description of the terms, risks, and benefits associated with any specific structured product offering. The content is for informational purposes only and does not pertain to any security product or service and is not an offer or solicitation of an offer to buy or sell any security product or service. Unless otherwise stated, all information and opinion contained in this publication was produced by Advisors Asset Management, Inc. (AAM) and other sources believed by AAM to be accurate and reliable. Due to rapidly changing market conditions and the complexity of investment decisions, supplemental information and other sources may be required to make informed investment decisions based on your individual investment objectives and suitability specifications.

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