SIMON
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Getting Started with Structured Investments

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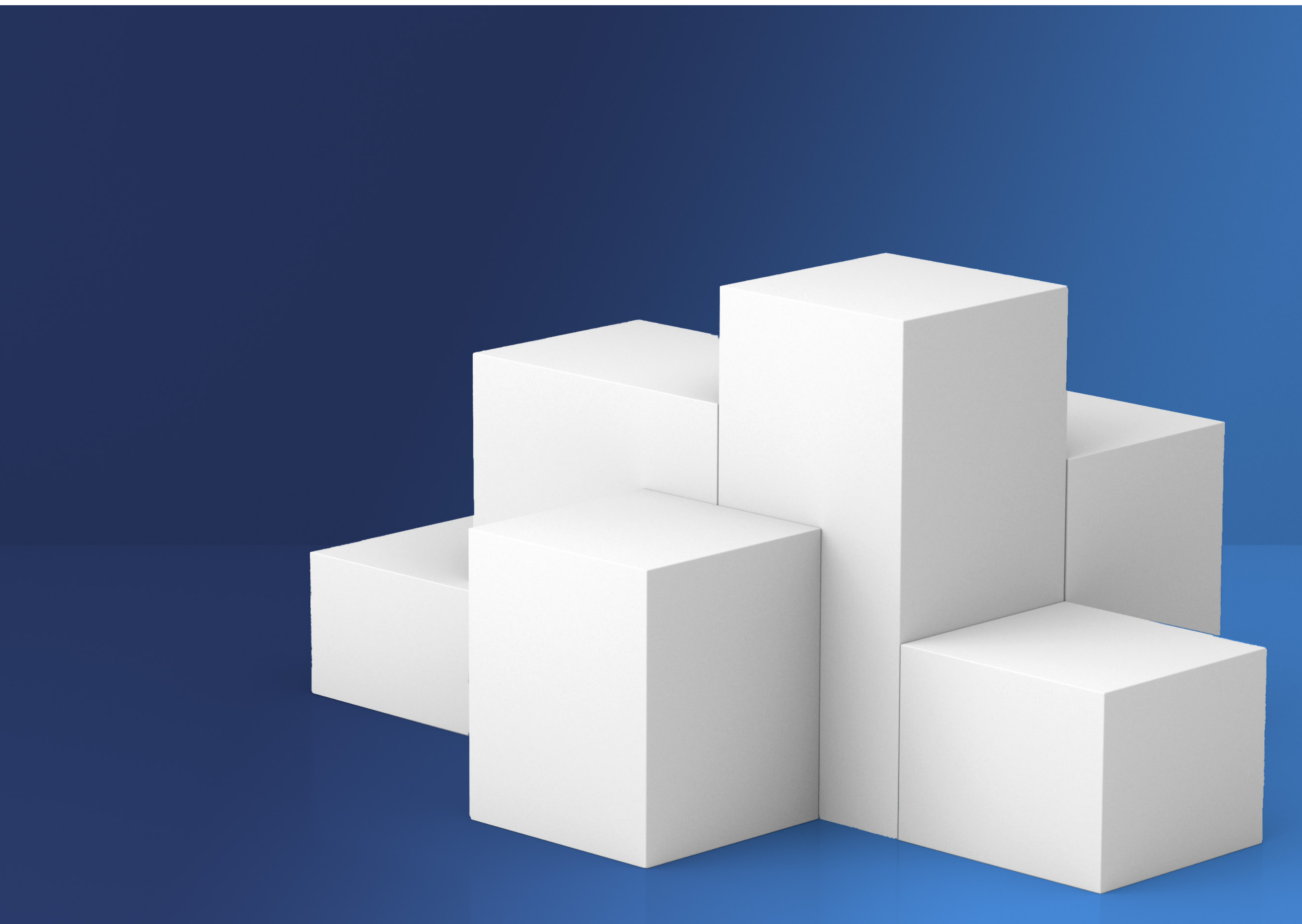


What if you could gain market exposure, but limit your losses if the market goes down?

Or make an investment with the potential to generate higher coupon payments?

Structured investments can be designed for almost any market outlook or financial objective and can be used to:

Manage investment risk

Earn periodic income payments

Diversify your portfolio

What is a structured investment?

It starts with an asset such as a:

Index

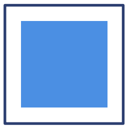
ETF

Stock

That's called the underlier. The structured investment is a package that links to the underlier and shapes its performance to meet specific investor needs. There are two most common types:

Market Linked CD
Carries FDIC Insurance

Market Linked Note
Carries Issuer Credit Risk



Depending on the type of structured investment, a level of principal protection can be selected that aligns with an investor's goals and objectives.

Full Principal Protection	Partial Protection	Contingent Protection	No Protection

More Protection — Less Protection

The power of structured investments is in the flexibility of their design, offering solutions across the risk-return spectrum.

Choosing an investment

Investing in structured investments begins with a review of objectives. Is the investor's primary objective growth or income? What market exposure is sought?

Risk-Managed Growth

Opportunity to grow assets, typically with a single payment at maturity and optional protection features

Enhanced Income

Potential to earn periodic coupons throughout the life of the investment, often while managing downside risk

With an objective in mind, an investment based on its four basic parameters:

Payment Type

Single payment at maturity or periodic coupons

Protection

100% principal protection or principal-at-risk in exchange for higher potential returns

Term

Fixed term, typically 2–5 years, or callable, with the possibility of early redemption

Underlier

Reference asset to which the investment returns are linked

Structured investments are buy-and-hold products and investors must be willing to hold their investment until maturity. Investors should always read and understand the offering document before investing—in it they will find clearly defined terms, fees, and risks, including issuer credit risk, any limits on upside participation, potential for loss, and limited liquidity.

How they work

Let's walk through two hypothetical examples:

INVESTOR A:

- Seeking the growth potential of equities
- Concerned about downside risk
- Willing to make a 5-year investment

OBJECTIVE:

☑ Growth ☐ Income

INVESTOR B:

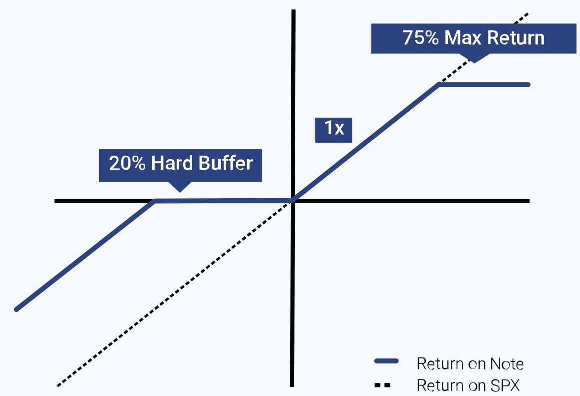
- Seeking periodic income with higher yields
- Comfortable with equity risk
- Willing to make a 2-year investment

OBJECTIVE:

☐ Growth ☑ Income

MARKET LINKED GROWTH NOTE

UNDERLIER	S&P 500 (SPX)
PAYMENT	1x (Up to 75%)
PROTECTION	20% hard buffer
TERM	Fixed: 5 years



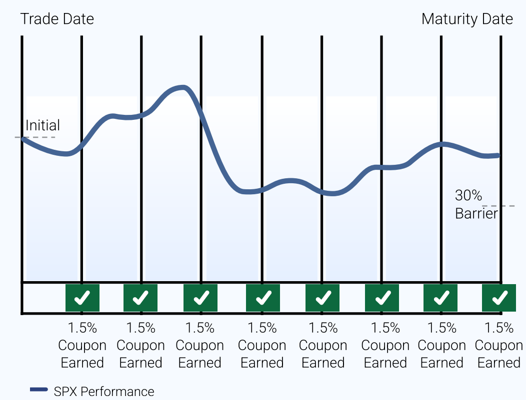
The example above illustrates a market linked growth note with upside participation, which means that at maturity investors would participate in the gains in the underlier. It offers 1x upside participation, up to a max return of 75%. At maturity, investors would receive a return that is one-to-one with the gains of the SPX on a price return basis, but not to exceed 75%. In other words, investor gains will be limited to the 75% max return.

The note also has a hard buffer to protect principal against a downturn in the underlier. The hard buffer would absorb the first 20% of losses in the SPX and after that, losses would be 1% for every 1% that the SPX has declined below 80% of its initial level.

Benefits: Equity upside potential with partial protection

MARKET LINKED INCOME NOTE

UNDERLIER	S&P 500 (SPX)
PAYMENT	Fixed coupon 6% p.a (quarterly)
PROTECTION	30% barrier
TERM	Fixed: 2 years



The example above illustrates a market linked income note with a fixed coupon, which means that the coupon payments would be made each period, regardless of the performance of the underlier. It would pay a quarterly fixed coupon of 6% p.a., no matter the performance of the SPX.

This note also has a barrier to protect principal against a downturn in the underlier. At maturity, the barrier would absorb the first 30% of losses in the SPX and after that, the protection would disappear, and losses would be one-to-one from the underlier's initial level.

Benefits: Higher coupons than two-year bond alternatives, although subject to downside risk

Why now?

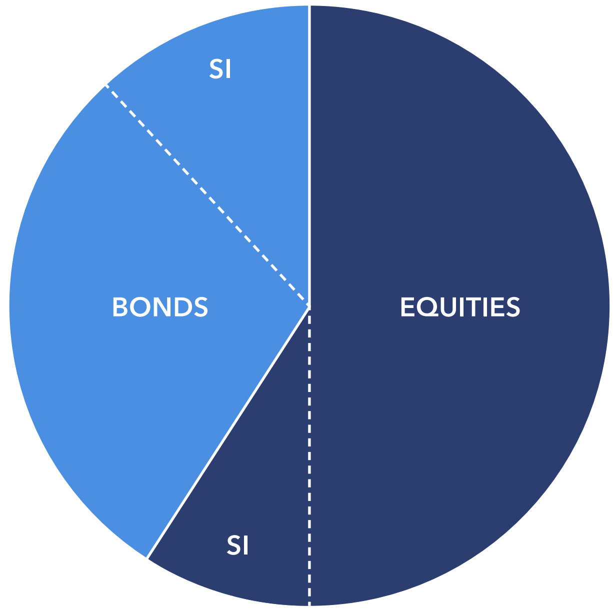
Structured investments can help address specific portfolio needs for a more tailored portfolio approach and are:

Strategic: They can provide strategies to manage today's investing challenges, such as ongoing market volatility.

Flexible: Some offer full or partial principal protection at maturity, while others offer greater upside, but come with greater risk.

Diverse: They can be a core portfolio component as an alternative or complement to equity or fixed income holdings, for example.

Portfolio use: Where structured investments (SI) fit in



Advancements in innovative technology and analytical tools have increased education and transparency. This has provided a clearer understanding of how these investments can be used within a diversified portfolio and created a stronger structured investment market than ever before.

Want to learn more? Connect with us:

If you are a financial professional, email hello@simonmarkets.com any time with questions or feedback.

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