

# Utilizing market-linked growth notes

Get to know the potential benefits and risks of a market-linked growth note by looking at one of its variations – the **absolute return market participation barrier note**.

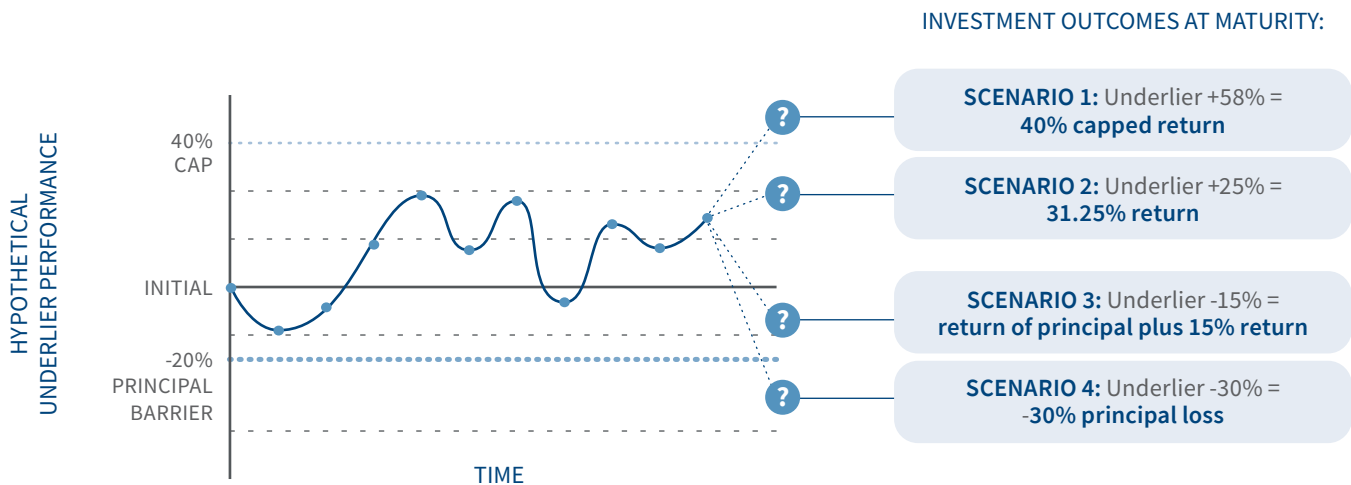
This example of an **absolute return market participation barrier note** represents typical offering terms, as well as the potential investment benefits it can offer investors.

- The note is designed to provide participation in any positive performance of the underlier over the term. While terms can vary significantly, this particular example offers accelerated participation (greater than one-for-one) and is subject to a maximum return cap.
- Additionally, if the underlier’s performance is negative over the term, but above the contingent principal protection level, referred to as a principal barrier, the investor is not only protected from that loss, but also receives a return equal to the absolute value of the negative return (e.g., underlier -13% = return of principal and +13% return).
- However, if the underlier is below the principal barrier at maturity, the investor does not receive the absolute return and participates fully in that loss.
- The underlier’s performance is calculated point to point from when the note is purchased to its final observation date.

**WHAT IS A STRUCTURED INVESTMENT?**

Structured investments can be designed to potentially achieve a wide variety of investment objectives – from capital preservation to growth or income – based on the performance of an **underlier**, such as a stock, an exchange-traded fund (ETF) or a market index. However, structured investments do not represent a direct investment in the underlier.

UNDERLIER	TERM	PROTECTION	PAYMENT FEATURES						
DOW JONES INDUSTRIAL AVERAGE PRICE INDEX	3 YEARS FIXED	20% CONTINGENT BARRIER	<table border="1"> <tr> <td>PARTICIPATION</td> <td>1.25x</td> </tr> <tr> <td>MAX RETURN CAP</td> <td>40%</td> </tr> <tr> <td>ABSOLUTE RETURN</td> <td>1.0x TO 20% PRINCIPAL BARRIER</td> </tr> </table>	PARTICIPATION	1.25x	MAX RETURN CAP	40%	ABSOLUTE RETURN	1.0x TO 20% PRINCIPAL BARRIER
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The above example is for illustrative purposes only and not intended to imply or represent a specific return on any particular investment. Available structures and terms vary from month to month. All terms are honored at maturity. **All investment features are provided by the issuer and subject to its creditworthiness.** Refer to offering prospectus for more details. Returns for this type of note are typically taxed as long-term capital gains. The Dow Jones Industrial Average is an unmanaged index of 30 large U.S. exchange-listed companies. Keep in mind that it is not possible to invest directly in an index.

## PUTTING IT TOGETHER

Characteristics such as underlying markets, length of term and early redemption provisions, as well as protection and payment features, are all variables to consider when selecting the type of growth note suitable for your investment objective. Talk with your advisor and review specific offering documents prior to investing.

## DEFINITIONS

**Absolute return:** A type of payment feature offered on some structured investments that is equal to the magnitude of the numerical value of the underlier's return — regardless of whether it's positive or negative, typically to a specified level. This type of return is also known as the absolute value of the underlier's return.

**Max return cap:** The maximum return limit – or cap – on certain structured investments that limit the investor's possible return.

**Observation date:** The date on which a structured investment's performance is calculated based on underlier performance and terms of the offering.

**Participation:** The degree or method in which an investor participates in the potential appreciation of the underlier.

Participation of 1.0x the underlier indicates one-for-one participation over the stated time period. Participation may be greater than one-for-one (accelerated; e.g., 1.2x the underlier) or less than one-for-one (partial; e.g., 0.8x the underlier). Some structured investments may be subject to a maximum return cap.

**Principal barrier:** A contingent form of protection, to a predetermined level, against an underlier's loss at maturity. However, if the underlier declines beyond the specified level on the final observation date, the contingent protection no longer applies and the investor participates fully in the underlier's loss as though they had no protection.

**For more information, refer to the Raymond James Exploring Structured Investments brochure, specific investment offering documents, and talk with your advisor.**

### Risk Considerations

**Structured investments are often complex and are not suitable for all investors.** While each structure possesses unique risks, some general considerations include:

**Creditworthiness of the issuer:** Market-linked notes are senior, unsecured obligations of the issuing firm and are backed by its creditworthiness. Similar to traditional bonds, if an issuer were to become insolvent, you are unlikely to receive all of your investment as detailed by the investment's terms. Understanding the credit risk associated with any structured investment is important.

**Liquidity and statement value:** Structured investments are designed to be held to maturity and generally have limited liquidity. Redemptions prior to maturity may result in a loss of principal. While a guaranteed secondary market does not exist for these products, issuing firms will often offer to buy back investments prior to maturity, typically at a discount. This discounted value is reflected in your account during the term of the investment and

represents the amount you could expect to receive if you chose to sell prior to maturity.

**Fees:** Structured investments typically involve fees greater than other methods of accessing the performance of an underlier. These fees are typically stated on the front page of the investment's offering documents and should be taken into account when assessing the merits of any investment.

**Understanding note performance:** Dividend payments on underliers are typically not captured by structured investments. While some form of protection is often designed into market-linked notes, an investor can still suffer loss to their principal based on the terms and performance of the underlier. Understanding investment trade-offs and scenarios under which the note outperforms or underperforms the underlier are important when investing and setting performance expectations.

**Complexity:** Structured investments are often less familiar than traditional investments and require additional research.

This document is not intended to be legal advice or provide tax opinion.

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