Investor portfolios are generally constructed based on a set of goals. These lead to building portfolios with the aim of achieving certain risk/return targets. If constructed using purely asset allocation tools, achieving the set targets will depend on the asset selection and performance, as well as portfolio diversification. However, there are additional ways to deal with the many variables that may prevent portfolios from reaching their goals.

Outcome Driven Focused Solutions

An outcome-driven solution defines at the outset the targeted outcome of an investment (its return at maturity) while at the same time it introduces risk mitigating features dampening potential losses. In other words, they seek to capture a defined (and sometimes increased) upside while decreasing potential downside exposure, all at maturity.

Outcome-driven solutions can serve as key portfolio construction tools as they can tailor the risk/return for an asset class around targets. By introducing them into an investment portfolio, they can lower the portfolio's variability when compared to investing solely in traditional instruments with full market exposure (stocks, ETFs, etc.). An outcome driven solution can provide optimized returns and minimized volatility around certain market views, and therefore could aid in achieving desired risk/return portfolio characteristics.

The examples below are hypothetical and are not intended to be an offer or a solicitation of a sale of any securities.

These hypothetical examples do not reflect actual transaction terms or transaction fees and expenses. They also do not illustrate all potential outcome-driven solutions. Outcome-driven solutions can also be built to produce yield-driven opportunities based on market performance, large degrees of capital protection at maturity, bearish views, etc.

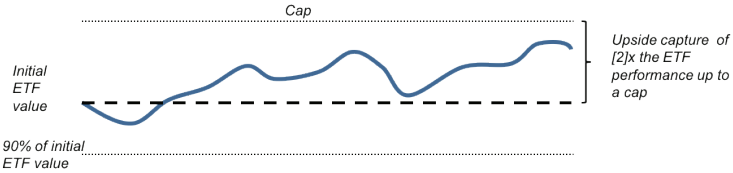
FIRST EXAMPLE:

For investors that expect a sideways or modestly bullish performance for US large cap equities, an outcome-driven solution could provide a multiple of any increase in a US large cap ETF up to a maximum cap, thus amplifying expected modest returns versus a direct exposure to the ETF. At the same time, the solution could provide partial protection to any downside ETF performance thus mitigating investment risk. Investors could utilize the solution within a portfolio as a substitute for ETFs or for other direct market exposure instruments, while still capturing targeted outcomes.

Hypothetical Outcome Driven Solution:

Capture [2]x the upside performance of a US large cap ETF over 2 yrs, up to a cap, while protecting against the first 10% of downside.

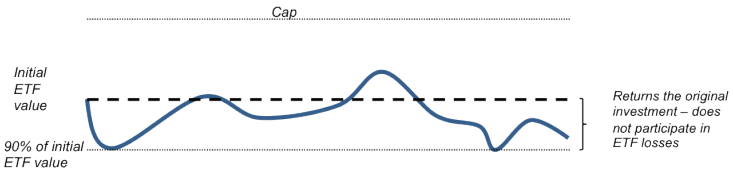
Modest Market Increase



ETF price return at 2 yrs ~ 8.2% (or 4.0% per annum)
Hypothetical Outcome Driven Solution return at 2 yr maturity ~ 2 x 8.2% = 16.4% (or 7.9% per annum)*

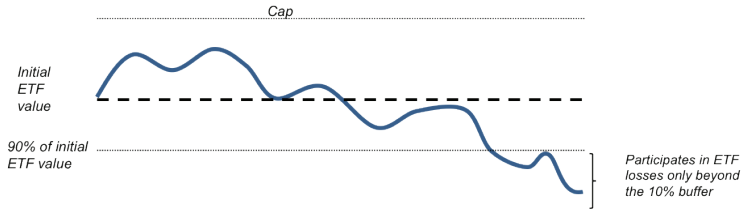
*assumes returns are below cap.

Modest Market Decrease



ETF price return at 2 yrs ~ -3% (or -1.5% per annum)
Hypothetical Outcome Driven Solution return at 2 yr maturity ~ 0% (or no capital loss)

Significant Market Decrease



ETF price return at 2 yrs ~ -19% (or -10% per annum)
Hypothetical Outcome Driven Solution return at 2 yr maturity ~ -9% (or -4.6% per annum)

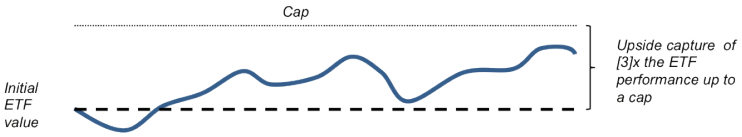
SECOND EXAMPLE:

Alternatively, for investors that have a moderately bullish view on US large cap equity returns for the following year, and are willing to have a higher risk/return profile, an outcome-driven solution could be built with lower downside protection levels (or no protection at all) while increasing upside exposure multiples or caps. The solution could then allow for more upside return amplification but giving little to no downside protection. Investors could utilize the solution within a portfolio as a substitute to ETFs or for other direct market exposure instruments, or by allocating less risk capital for capturing the targeted market upside.

Hypothetical Outcome Driven Solution:

Capture [3]x the upside performance of a US large cap ETF over a period of one year, up to a cap of [19]%, with no down-side protection.

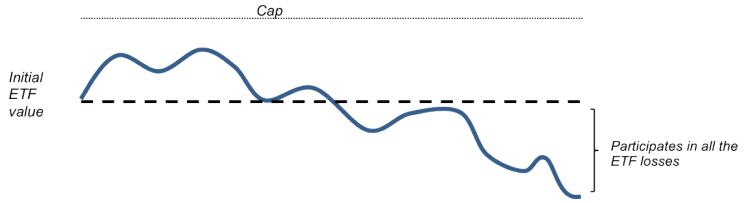
Modest Market increase



ETF price return at 1 yr ~ 4%
Hypothetical Outcome Driven Solution return at 1 yr maturity ~ 3 x 4% = 12%*

*assumes returns are below cap.

Modest Market Decrease



ETF price return at 1 yr ~ -10%
Hypothetical Outcome Driven Solution return at 1 yr maturity ~ -10%