

## Quick Reference Guide:

**AUTOCALLABLE NOTES**

**AutoCallable Notes** are short-term market-linked investments offering an above-market coupon if automatically matured prior to the scheduled maturity date.

Product Description

The product is automatically matured (“auto-called”) if the reference asset is at or above its initial level on a predetermined observation date. If called, the investor will receive their initial principal investment plus an above-market coupon. The auto-call test is carried out on a set schedule of predetermined observation dates, typically Quarterly, Semi-Annually, or Annually. The product can only mature on one of these “auto-call” dates. The underlying reference asset can be an equity, an equity index, a commodity, a commodity index, or a foreign currency.

Principal Protection

Auto-call products offer a contingent downside protection feature that fully protects the investor’s initial investment as long as the underlying has not traded at or below the downside barrier. The downside barrier risk can be observed daily at the close of business, as in the case of discrete monitoring, or one time at maturity, as in the case of European-style monitoring. At maturity, if the underlying is below the barrier and the note has not been auto-called on any of the observation dates, the investor is fully exposed to the decline of the underlying versus its initial level.

Enhanced Yield

The auto-call note is created to offer a coupon that is higher than that of a fixed income bond with a comparable credit rating and maturity. The coupon is typically structured so that it doubles on each observation date (“auto-call date”), so that if the coupon is X% on the first date, the coupon is two times X% on the second date and so on, all the way up to maturity. However, the reference asset must close at or above a pre-determined level on the scheduled observation date in order for the AutoCallable Note to be called and pay the coupon. It is important to note that potential returns are limited to the coupon amount and the investor will not participate in the gains of the reference asset.

**MAY BE SUITABLE FOR INVESTORS WHO ARE:**

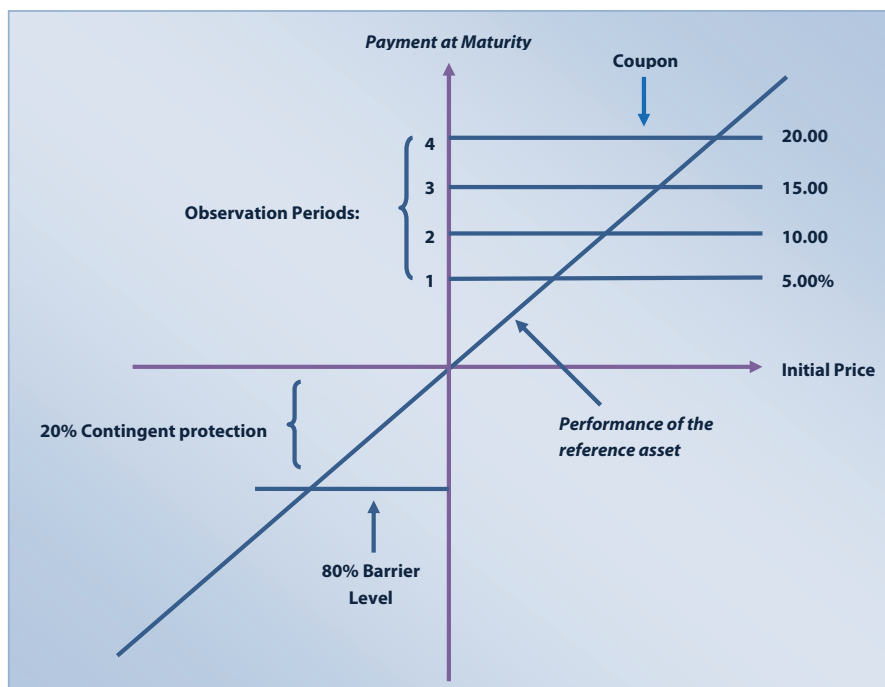
- Looking for enhanced yield opportunities versus traditional fixed income
- Willing to risk some or all of their principal investment
- Seeking to diversify their investment portfolio
- Knowledgeable concerning how options work and comfortable with investing in securities incorporating options

**IMPORTANT FEATURES:**

- Low minimum investment  
*\$1000 minimum initial purchase; \$1000 increments thereafter.*
- High Coupon, versus comparable fixed income products of the same credit rating and maturity
- Short to medium term investment, typically 1 to 3 years
- High credit quality  
*Typical issues are from banks with a credit rating that is investment grade or better, although credit quality should not be the sole basis for an investor's decision.*
- Not principal-protected  
*Principal may be reduced depending on the performance of the underlying stock(s)*
- Contingent downside protection  
*Barrier Level provides the investor with a limited amount of downside protection.*

**Example: AutoCallable Note**Assumptions

Underlying:	S&P 500
Term:	2 year
AutoCall Trigger:	100% of initial
Coupon (autocall premium):	10.00% (p.a.)
Observation Dates:	Semi-Annually
Barrier Level:	80% of initial



### **Certain Risks and Considerations**

**Principal Risk:** AutoCallable Notes do not offer 100% principal protection. Investors could lose some or all of their initial investment.

**Limited Return:** The return is limited to a fixed interest rate and therefore may be significantly less in comparison than the direct investment in the underlying asset. The investor does not receive any dividends or distributions from the underlying asset.

**Liquidity:** AutoCallable Notes are not designed to be liquid; they are intended to be held to maturity. While there may be secondary market for them, issuers are under no obligation to maintain one. Selling prior to maturity carries with it the risks inherent in factors that can affect marketability, such as volatility of the underlying assets, interest rate swings and developments affecting the underlying securities.

**Creditworthiness of the Issuer:** The extent to which any principal is protected is subject to the quality of the issuer's credit. AutoCallable Notes are subject to the risk that the issuer might not be able to meet scheduled interest or principal payments. The investor should investigate the creditworthiness of the issuer to evaluate its ability to meet the terms of interest and principal payment.

**Issuer Call:** An early call prior to maturity may put the investor at risk of reinvesting in a lower interest rate environment. The call price is generally par (100% of principal), but in some cases it can be above par ("premium call").

**Taxes:** For full information regarding the tax consequences of AutoCallable Notes, investors should consult their tax advisor.

### **JVB Financial Group, LLC, member FINRA, SIPC**

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