Structured Product Client Disclosure Form

Client Disclosure

The purpose of this form is to ensure you understand the features and risks as it applies to your purchase through Axxcess Wealth Management of structured product(s), which may include Principal Protected Notes and structured CDs. Please be informed that this disclosure form is not intended and may not be relied upon as a complete description of structured products, their offering terms or risks related there to, and all of which should be obtained in the prospectus and/or supplement.

What is a Structured product?

- Structured products are securities derived from or based on a single security, a basket of securities, and index, a commodity, a debt issuance and/or a foreign currency. The security or index on which the structured product is based is sometimes called the "Reference Instrument". As the foregoing definition suggests, there are myriad types of structured products. Some structured products offer a substantial level of protection of the principal invested, whereas others offer limited or no protection of the principal.
- Most structured products pay an interest or coupon rate substantially above the prevailing market rate. Structured products, which are typically issued by investment banks or their affiliates, have a fixed maturity. Some structured products may be listed on a national securities exchange. However, even those structured products listed on a national securities exchange may be very thinly traded. As such, it may be difficult to sell or liquidate certain structured products, especially in large quantities or in a limited period of time.
- Unlike straight derivatives whose entire value is dependent on some underlying security, index or rate, structured products are hybrids, having components of straight debt securities and components of derivative securities intertwined. Rather than paying a straight fixed or floating interest amount, these securities' interest payments can be tailored to indices or rates. In addition to the interest payments, the structured products' redemption value and final maturity can also be affected by the derivative securities embedded in them. Most structured products contain "embedded options", generally sold by the investor to the issuer, which are primarily in the form of puts, caps, floors, or call features. The identification, pricing and analysis of these options give structured products their complexity. As a result, many structured products have a similar risk profile to options in that the principal investment is at risk from market movements in the underlying security.
- Purchasing structured products involve a number of risks, and are not suitable for all investors. It is suggested that the investors purchase these securities only after careful consideration with their financial, accounting and tax advisors regarding the suitability of the specific structured product in light of their particular circumstances.

What are the Risk Factors?

- Before investing in these securities, it is important that you read the pricing supplement related to each structured product and the accompanying prospectus and prospectus supplement to understand the actual terms of the risks associated with the structured product that you are purchasing.

Market and Principal Risk

- Depending on the structure, the structured product may not pay interest prior to liquidation and may be structured to pay any payments due the investor only at maturity. The rate of return, if any, will depend on the performance of the "underlying" basket of stocks, the underlying individual stock, the underlying index and or the underlying commodity backing the structured product.
- If the structured product is not designated as being 100% principal protected or FDIC insured, as with Certificates of Deposit, then some or all of your principal may be at risk. In this case, the return of principal is only guaranteed to the extent specified for the structured product and, is specifically subject to the underwriter's credit and the creditworthiness of the issuer. If the return on the "underlying security" is negative, the amount of cash paid to you at maturity will be less than the principal amount of the investment and you could lose up to the percentage indicated of your initial investment. It is also possible that at maturity you may end up owning the underlying security at a price lower that the original purchase price. In addition, if the basket return is positive, payment will be limited because the percentage increase of the underlying basket calculated as of the determination date may be capped, on a per share basis, at the percentage disclosed for the appreciation of each stock held within the basket. It should also be noted that there may be little or no secondary market for the structured product
  and information regarding independent market pricing of the structured products may be limited.
- It is also important to note that many factors will contribute to the availability of any potential secondary market value of the structured product. You may or may not receive your full principal and interest payments back if you sell or otherwise liquidate structured products prior to maturity. Such factors include, but are not limited to: time to maturity, the appreciation or depreciation, if any, of the underlying basket, volatility and interest rate movement in the market place, and any other significant occurrences in the market place that may compromise the value of the underlying securities or index underlying the structured product.

Tax Considerations

- The structured product investment will be treated as "contingent payment debt instruments" for U.S. federal income tax purposes.
- Accordingly, investors, regardless of their method of accounting, will be required to accrue as ordinary income amounts based on the "comparable yield" of the securities as determined by the underwriter, even though any interest that may be accrued is not payable until maturity. Axxcess Wealth Management strongly recommends that you consult your tax advisor regarding such tax treatment.

Credit Rating

- In some cases, structured products are assigned a credit rating by a nationally recognized statistical rating organization. To the extent that such credit rating pertains to the creditworthiness of the issuer (i.e., at the ability of the issuer to meet its obligations under the terms of the structured product) it is not indicative of the market risk associated with the structured product or the reference security. Presentation of a credit rating for a structured product does not mean the rating pertains to the safety of the principal invested or the likely investment returns on your investment in the structured product. A credit rating and creditworthiness of the issuer do not affect or enhance the likely performance of the structured product investment other than the ability of the issuer to meet its obligations.

Certain Other Risks

- You should have received and reviewed the prospectus and current prospectus supplement related to each structured product. You should review the risks disclosed therein, and determine the investment in the structured product is suitable and appropriate in light of your investment objective and risk tolerance.
- Your investment in the structured product will be subject to the credit risk of the issuer and the actual and perceived creditworthiness of the issuer may affect the market value; therefore there is market risk in addition to credit risk.
- The principal amount of your investment is not guaranteed, unless specifically stated.
- There may not be an available secondary market for the structured product.
- The yield on the structured product may be considerably less than that of a standard debt security of comparable maturity.
- Purchasing a structured product is not equivalent to investing directly in the index, equity (ies) or commodity that may be associated with or underlying the structured product. The changes in market value of the underlying equity(ies), index or commodity may not be fully reflected in the market value of the structured product, therefore, the potential return on the structured product may not reflect the full performance of the equity(ies), index or commodity the structured product is linked to.

Should you have any questions, please contact your Financial Advisor.