

Structured Notes

Frequently Asked Questions

About Structured Notes

What are Structured Notes?

Structured products are pre-packaged investments that are designed to meet specific investment objectives, such as growth, income, or risk management. They do so by combining a traditional security, like a bond with a derivative component. A structured note does not hold an actual underlying portfolio of investments like a mutual fund or ETF does. Instead, the note's issuer promises to pay a return based on a formula that incorporates the performance of one or more referenced assets.

What are the benefits of using Structured Notes?

Structured investments may help you achieve upside potential and enhanced yield while still offering a degree of downside protection.

- > These products can be customized to align with your client's risk tolerance, providing an effective way to manage portfolio risk.
- > Structured investments also allow access to sectors, asset classes, or strategies that may be challenging to invest in directly or too volatile for a traditional approach.
- > The true value of structured investments lies in their versatility, offering tailored solutions across the risk-return spectrum to meet almost any market outlook or client objective.

What are some of the risks associated with Structured Notes?

- > Return and/or income payments are dependent on the performance of the underlier and not guaranteed and may be either levered or limited depending on the terms.
- > Structured investments can offer full, partial, or no protection of principal, depending on the terms.
- > Credit and default risk of issuer
- > In some cases limited FDIC protection
- > Market or opportunity risk
- > Derivative risk, depending on terms
- > Commodity risk, depending on terms
- > Liquidity risk

Advisors should ensure a structured product is of best interest given investors' risk tolerance, and investors should understand the unique set of risks of the structured investment underlier.

What are the tax reporting requirements for Structured Notes?

Each Note has unique characteristics, but generally, Structured Notes do not generate an income stream during their term. Consequently, no tax forms are generated until the Note matures or is sold. However, since each Note is unique, reviewing the prospectus for specific taxation details is essential.

Axos and Structured Notes

What options are available for Structured Notes through Axos?

Axos Advisor Services has partnered with iCapital to provide a platform and desk solution to access Structured Notes that best suit your needs.

About iCapital Structured Investment Distribution



Can I use both iCapital's platform and desk?

Yes. As a client of Axos Advisor Services, you have full access to the platform and the desk to support your specific needs.

How long does it take to execute the purchase of Structured Notes?

The timeline for executing the purchase of Structured Notes can vary depending on each note's unique characteristics. However, the process typically takes three to thirty days, depending on the specific issue you are interested in.

Are there fees associated with Structured Notes?

Yes, Structured Notes do have associated fees. The price of a Structured Note is influenced by several factors, including the underlying asset, time to maturity, interest rates, custody fees, distribution fees, credit spreads, and implied volatility; please see the prospectus for additional details. These fees are generally embedded within the price, meaning that if you sell the note before maturity, you may not receive its full-face value due to these embedded costs. iCapital will work with you to provide pricing for your specific request. Please see the prospectus for additional details.

Does Axos accept Structured Notes via ACATS?

Yes, we accept most Structured Notes via ACATS. Each Note is reviewed individually upon receiving the ACAT request to ensure it meets our criteria. In rare cases where Axos cannot hold a specific Note, the request will be rejected. As with other Fixed Income holdings, it's recommended that you contact your Client Service Advocate in advance to confirm eligibility before submitting the request.

Does Axos provide safeguards to prevent unintentional sales?

We recommend that you create a dedicated HOLD model account specifically for Structured Products to prevent them from being inadvertently traded during model processing. However, you have the flexibility to hold Structured Products in any model of your choosing.

You can add the Structured Product model to an account through Liberty, just as you would with other models. If the Structured Product model is used and added to the client's account, any incoming ACAT transfers for a Structured Product holding will be automatically directed to the Structured Product model, rather than the NULL model. You can work with your Client Service Advocate for additional support.

How is pricing displayed in Liberty?

Pricing and process are the same as other Fixed Income products.

- > **Initial Pricing in Liberty:** The initial pricing in Liberty will display the price provided by iCapital at the time of product setup.
- > **Post Trade/Settlement Pricing in Liberty:** Pricing is updated monthly, same as other Fixed Income products. We recommend utilizing your iCapital platform for current pricing.
- > **Fees:** Structured Products pricing is updated monthly, same as other Fixed Income products. Pricing validation occurs on the first of the month and triggers the fee process. This is the same process that is in place today.

Display in Liberty

Account number or name or tax ID Search + Closed Select a list Back to account list Create Account

Overview Active Holdings Securities Cash 99% 1%

Trading Trade from positions or models Performance View performance and income Transactions View transactions, actions and transfers About your account Account Information, Documents & Settings

VIEW BY MODEL VIEW BY ASSET CLASS VIEW BY ASSET SUBCLASS Export data

Asset Classes	Cost Basis	Unrzd ST G/L ¹	Unrzd LT G/L ¹	Unrzd G/L ¹	Market Value	% of Total Holdings
<input type="checkbox"/> Cash	n/a	n/a	n/a	n/a	\$1,271.32	0.83% <input type="checkbox"/>
<input checked="" type="checkbox"/> Other	n/a	n/a	n/a	n/a	\$65,880.00	42.86% <input type="checkbox"/>
<input type="checkbox"/> Allocation	\$42,417.02	(\$136.92)	\$1,253.14	\$1,116.22	\$43,533.24	28.32% <input type="checkbox"/>
<input type="checkbox"/> U.S. Equity	\$19,501.98	\$1,256.74	n/a	\$1,256.74	\$20,758.72	13.51% <input type="checkbox"/>
<input type="checkbox"/> Equity-Domestic	\$8,780.02	\$268.52	n/a	\$268.52	\$11,891.16	7.74% <input type="checkbox"/>
<input type="checkbox"/> Cash Equivalents	\$3,816.70	n/a	n/a	n/a	\$3,816.70	2.48% <input type="checkbox"/>
<input type="checkbox"/> Sector Equity	\$3,525.09	\$56.55	n/a	\$56.55	\$3,581.64	2.33% <input type="checkbox"/>
<input type="checkbox"/> Bonds-Taxable	n/a	n/a	n/a	n/a	\$2,045.00	1.33% <input type="checkbox"/>
<input type="checkbox"/> Taxable Bond	\$926.62	(\$0.93)	n/a	(\$0.93)	\$925.69	0.60% <input type="checkbox"/>
All Asset Classes	\$78,967.43	\$1,443.96	\$1,253.14	\$2,697.10	\$153,703.47	100.00% <input type="checkbox"/>

¹ Unrealized gains/loss data is only available as of 01/09/2025.

HOLDINGS WITHIN OTHER Export data

Symbol	Security Name	Quantity	Price	Cost/Share	Unrzd ST G/L ¹	Unrzd LT G/L ¹	Unrzd G/L ¹	Unrzd G/L % ¹	Market Value	% of Total Holdings
40057MQ	GS FIN CORP DTD 08/10/22 MATURE 08/05/25	17,000.0000	\$125.00	n/a	n/a	n/a	n/a	n/a	\$21,250.00	32.26% <input type="checkbox"/>
		16,000.0000	\$100.00	n/a	n/a	n/a	n/a	n/a	\$16,000.00	24.29% <input type="checkbox"/>
	Donna Structured Product	7,000.0000	\$205.00	n/a	n/a	n/a	n/a	n/a	\$14,350.00	21.78% <input type="checkbox"/>
	Linda Structured Product	14,000.0000	\$102.00	n/a	n/a	n/a	n/a	n/a	\$14,280.00	21.68% <input type="checkbox"/>

Security Detail

GS FIN CORP DTD 08/10/22 MATURE 08/05/25

Pricing	Identifiers	Classification
\$100.00 <input type="checkbox"/> Closing Price	Symbol	Type
As of 01/08/2025	CUSIP	Class
	ID	Sub Class

Classification: **STRUCTURED PRODUCT**

Class: **Other**

Sub Class: **Other**

PRICE HISTORY	TRADING RULES
Timeframe: <input type="text"/> 1 Year <input type="button"/>	Minimum Allocation
Security price history unavailable	Rounding Factor
	Closing Times (Settle Days)

Minimum Allocation: 1000.0000

Rounding Factor: 1000.0000

Closing Times (Settle Days): 02:00:00pm MT (3)

Done

What happens if I need to sell a structured note prior to maturity?

If you need to sell a Structured Note prior to maturity, iCapital can assist you by calling their dedicated Axos support line at (720) 463-0739.

What if I already have an iCapital login?

If you already have an iCapital login with another custodian, you'll need to coordinate with your Axos Client Service Advocate to be set up on Axos' instance of iCapital for accessing Structured Notes. For step-by-step instructions, please refer to our Getting Started Guide.

Structured Notes Platform

The iCapital platform empowers you to efficiently browse and filter all available Structured Notes in one place, selecting the most suitable options for your clients based on specific parameters. It also provides a dashboard to view and manage your selected notes seamlessly.

- > View all available Notes in one, easy-to-use place
- > Filter available Notes using specific parameters
- > Buy and Sell on the secondary market easily
- > Alerts for Notes at risk of being auto called

The iCapital platform is ideal for advisors who prefer a hands-on, self-service approach to selecting and managing Structured Notes.

How to Access the iCapital Platform

Please refer to our [Getting Started Guide](#) for detailed instructions on how to get started with iCapital's Platform.

Structured Notes Desk

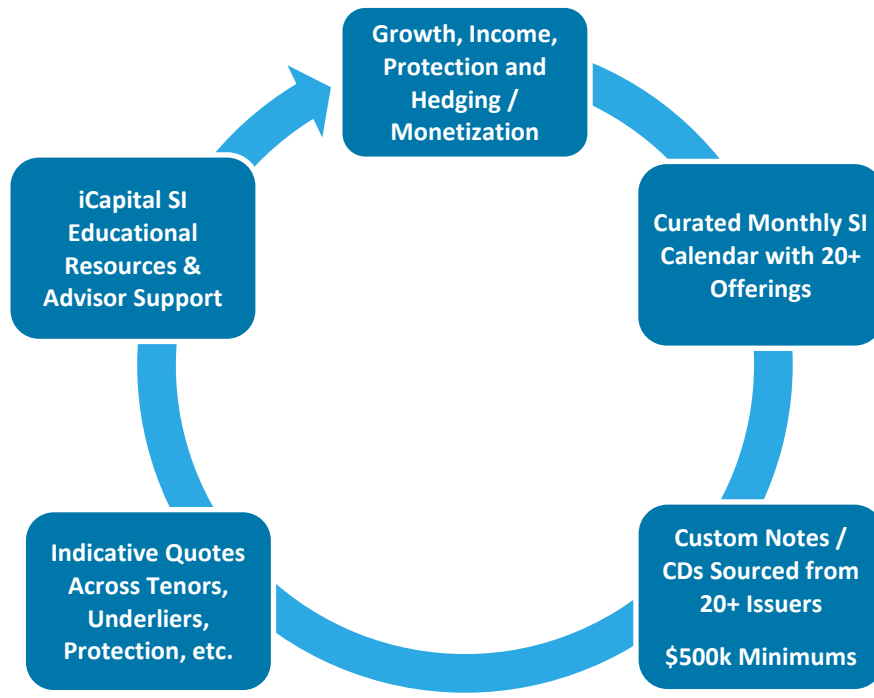
The iCapital desk provides personalized support in researching notes that align with your client's needs while securing highly competitive pricing.

- > Expert assistance in finding Notes tailored to your parameters
- > Concierge-level service
- > Support with price negotiation for Custom Notes

The iCapital desk is perfect for advisors who need additional support and prefer to delegate the administrative tasks of searching and pricing.

How to Use the iCapital Desk

- > Please refer to our [Getting Started Guide](#) for detailed instructions on how to get started with iCapital's Desk.



The iCapital Wholesaling Advantage



Help & Support

Who should I contact if I have questions about Structured Products?

iCapital Support Line: (720) 463-0739

iCapital Support Email: iCapital-Axos@icapital.com

We are here to assist you with any needs that might arise. For additional support, please contact your Client Service Advocate.

Ready to get Started?

Please contact your Client Service Advocate to start the registration process.

Investment Products: Not FDIC Insured - No Bank Guarantee - May Lose Value.

Axos Advisor Services is a trade name of Axos Clearing LLC. Axos Clearing LLC provides back-office services for registered investment advisers. Neither Axos Advisor Services nor Axos Clearing LLC provides investment advice or make investment recommendations in any capacity. Securities products are offered by Axos Clearing LLC, Member FINRA & SIPC. Axos Clearing, LLC does not provide legal, accounting, or tax advice. Always consult your own legal, accounting, and tax advisors.