



SAINT JOSEPH
INTERNATIONAL GROUP

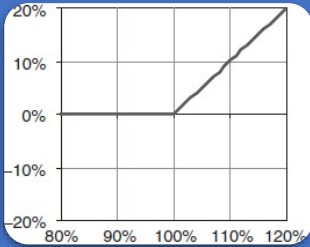
Wealth Management Department

Financial Solutions Booklet

Why Structured Products?

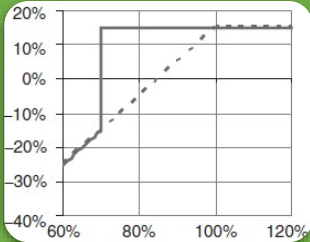
- Structured products provide sophisticated solutions that can be adapted to the needs and constraints of each individual investor.
- These products provide access to markets not easily accessible to high net worth individuals along with the traditional asset classes.
- Structured Products can be a powerful tool for portfolio management and can help investors manage risk in any type of market environment.
- Return payouts can be tailored to the style of the investing the individual investor seeks.

Types of Structured Products



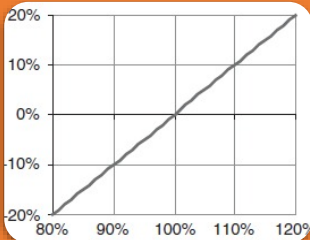
Capital Protected

- Losses limited to the level of capital protection.
- Participation in some sort of index, asset class, or security.
- Usually little to no income (coupons)



Yield Enhancement

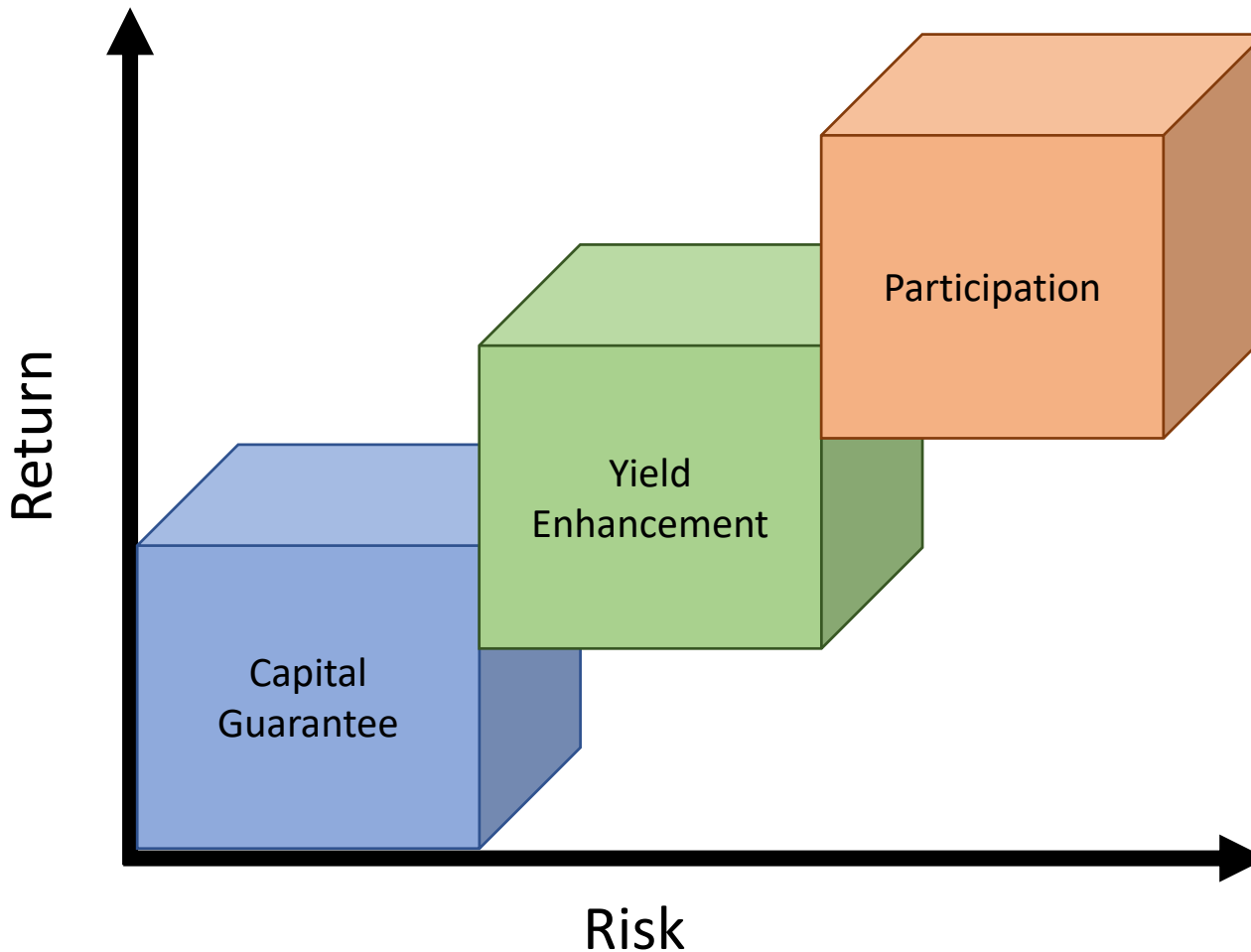
- Capped upside with objective to generate relatively high levels of income.
- Usually no capital protection. Can have conditional downside protection.



Participation

- Payout/Performance is closely linked to the performance of underlying.
- Can offer conditional downside protection or a leveraged upside.
- No protection against most downside participation.

Risk Reward of Structured Product Types



Capital Protected Products

Capital Protected Notes

100% Capital Protected Participation:

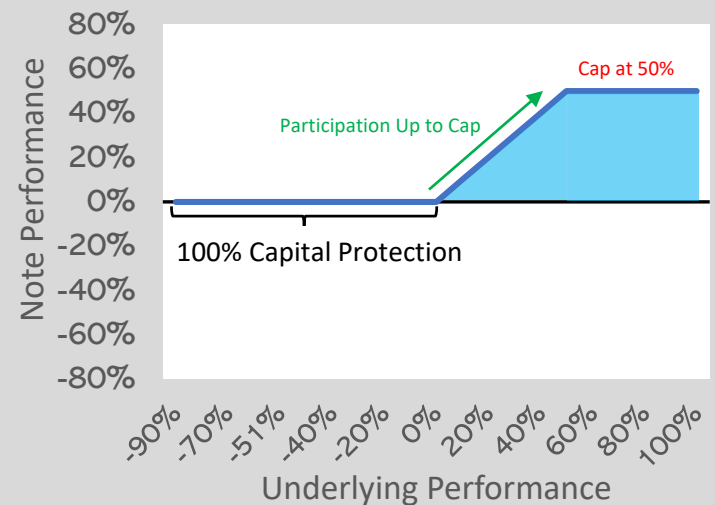
Objective: Provide participation (with or without leverage) in an underlying index or financial instrument while providing a level of protection for the investors capital at the maturity of the note. These types of the notes for the most part are structured with a “performance cap” at maturity. This means that at maturity the maximum the investor may receive from the note is the percentage cap regardless of how much the underlying outperforms.

Investor Outlook: An investor who bullish in the long term outlook of the underlying but wants protection against any further downside. These notes are usually structured with tenors of 3 years or more, so the investor should align with this horizon.

Advantages:

- Capital Protected at maturity of note.
- Notes can be structured to participate in the performance of virtually any financial instrument.

Sample Payoff Diagram (At Maturity):



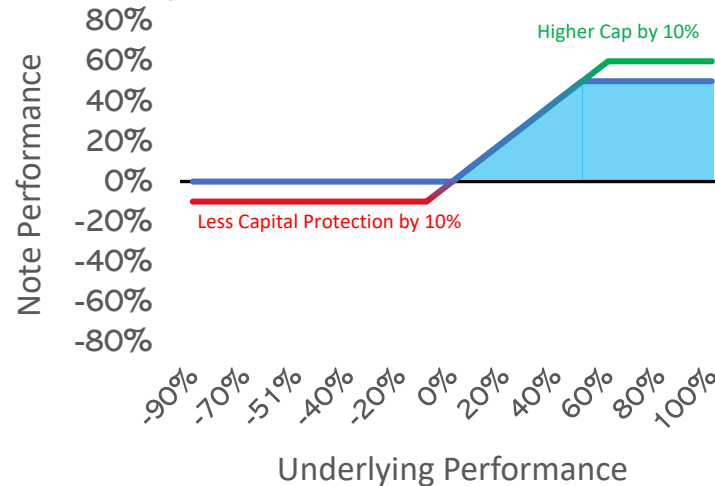
Disadvantages:

- No coupon payments for this type of note.
- Value of note before maturity is present value of payoff, so trading in secondary might result in slight loss of capital.

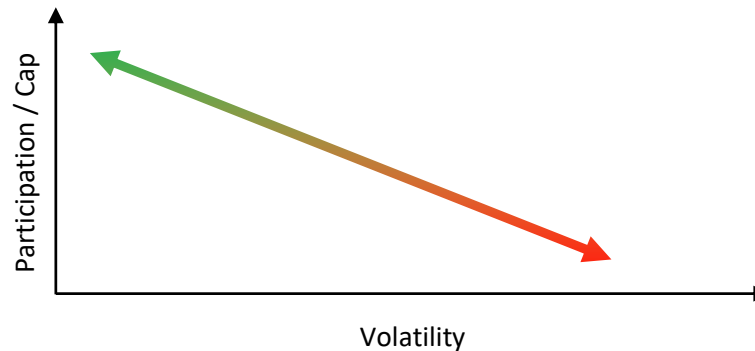
Capital Protected Notes

Major Factors in Pricing:

- **Protection:** The capital protection level can be lowered below 100% to improve other terms in the note such as years to maturity or the “cap”.



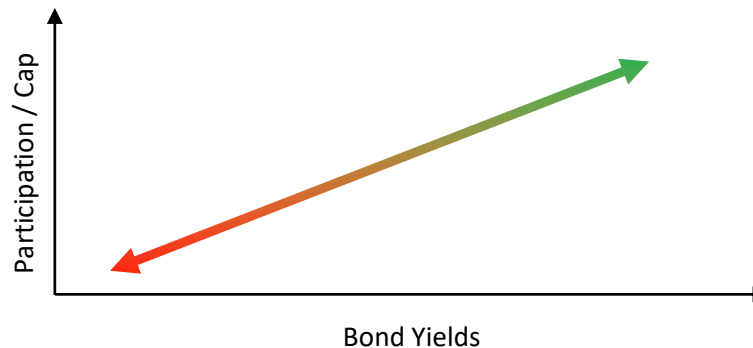
- **Volatility:** The lower the volatility in the underlying security, the higher degree of participation and higher potential cap for the note.



Capital Protected Notes

Major Factors in Pricing:

- **Interest Rates:** The overall level of interest rates also effects the amount of participation for a capital Protected note. If yields are higher (bond prices lower), this means the structurer can buy more options in the underlying security to give the investor better participation and a higher cap. This comes from the underlying that needs to be purchased to provide capital protection.

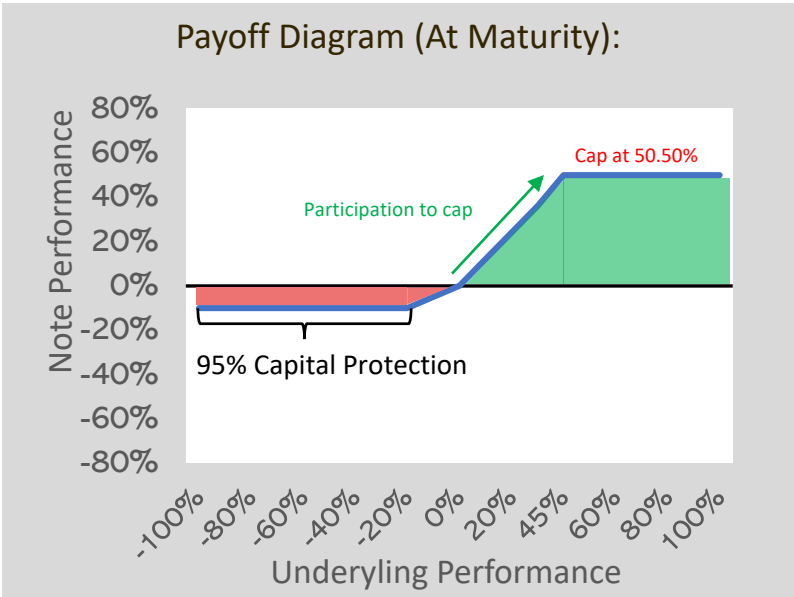


Capital Protected Notes

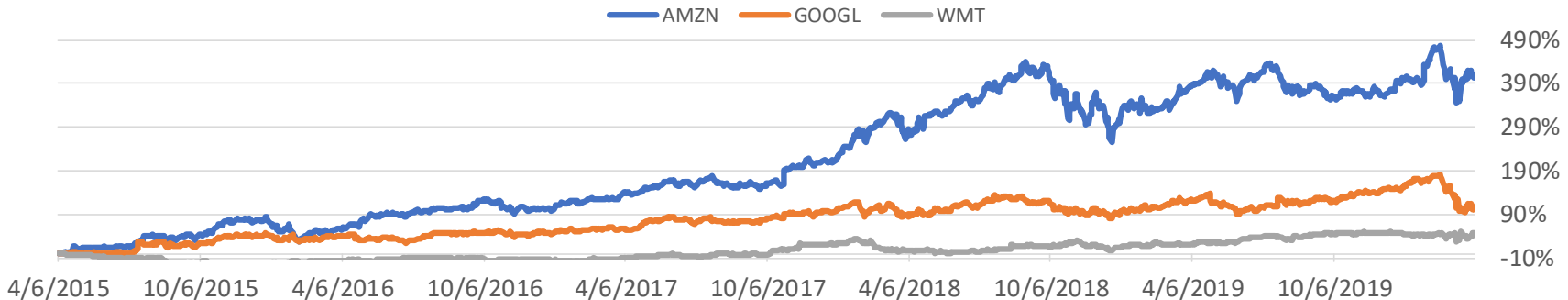
Traded:
4/7/2020

Use the resources of selling bonds that are close to maturity and have high levels of risk to participate in the advantage of high quality stocks in the US.

Product: Structured Note
 Type: Capital Protection
 Protection level: 95%
 Underlying: Amazon.com (AMZN), Alphabet inc. (GOOGL),
 Wal-Mart (WMT)
 Term: 3 years
 Participation: 101% of upside
 Performance cap at maturity: 150.50%



Underlying Historic Performance



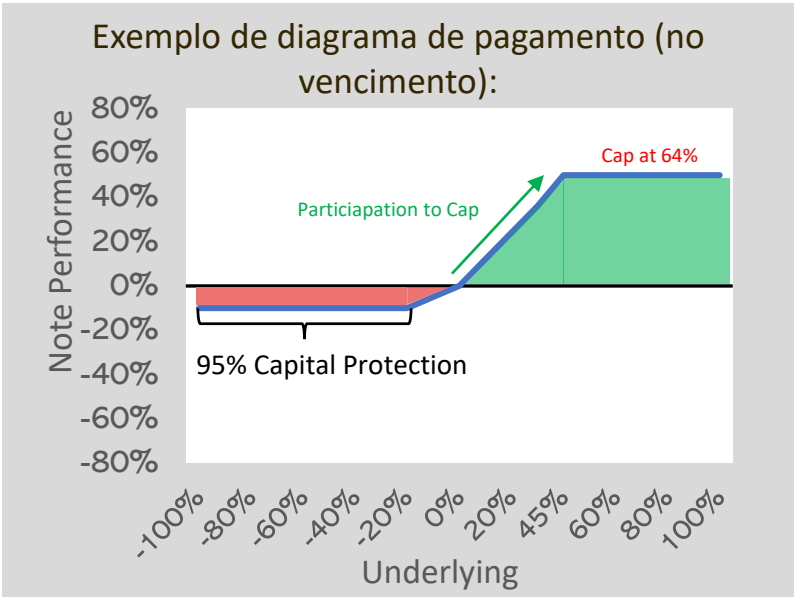
* All notes are not protected against the issuer risk
 ** All coupons and participation levels are subject to change at the time of execution, based on market conditions

Capital Protected Notes

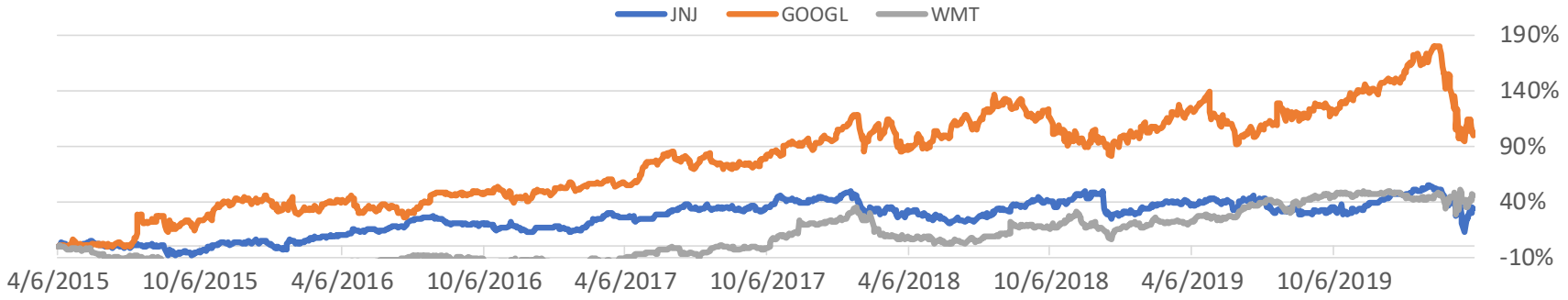
Traded:
4/7/2020

Use the resources of selling bonds that are close to maturity and have high levels of risk to participate in the advantage of high quality stocks in the US. Same note idea as before, only difference is Amazon is switched out for Johnson and Johnson.

Product: Structured Note
 Type: Capital Protection
 Protection level: 95%
 Underlying: Johnson & Johnson (JNJ), Alphabet inc. (GOOGL), Wal-Mart (WMT)
 Term: 3 years
 Participation: 128% of upside
 Performance limit at maturity: 164%



Underlying Historic Performance



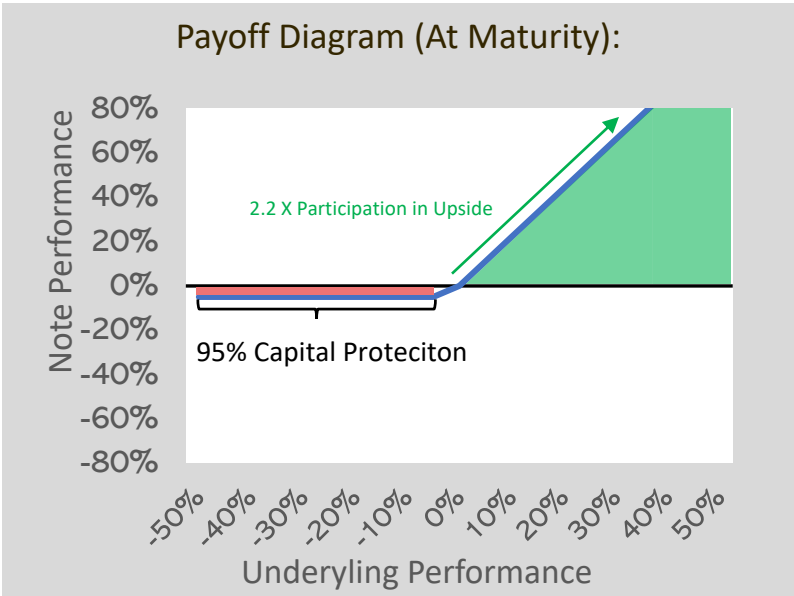
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Capital Protected Notes

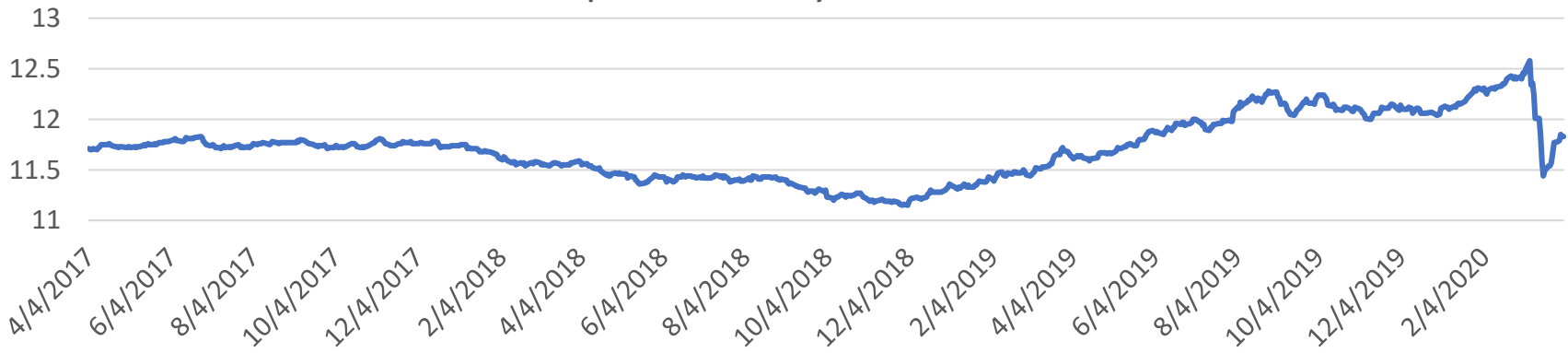
Traded:
4/8/2020

Leverage participation in a fixed income fund with high potential returns. Historically, this fund has managed volatility well and invested in high quality fixed income instruments in order to achieve competitive income levels.

Product: Structured Note
 Type: capital protection
 Protection level: 95%
 Underlying: JUPLEUR LX (Jupiter JGF - Dynamic Bond)
 Term: 3 years
 Participation: 220% of upside
 Performance cap at maturity: None



Jupiter JGF - Dynamic Bond



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Yield Enhancement Products

Yield Enhancement Notes

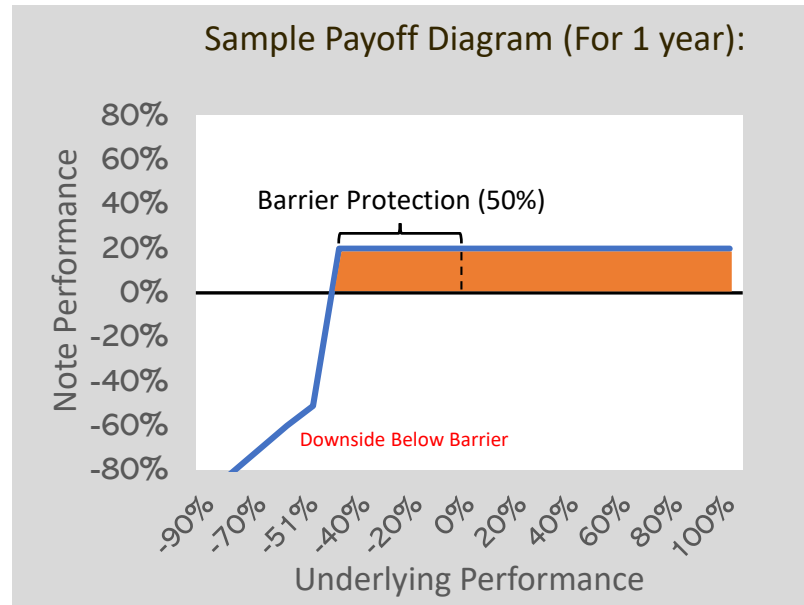
Phoenix Note With Memory:

Objective: Provide a conditional fixed income stream to the investor over an investment we expect to stay above a certain level (the barrier, usually stated in terms of % of current price). The instrument is aimed at providing substantially higher income returns compared to other traditional income products in the market.

Investor Outlook: An investor who is moderately bullish or rangebound in the short to medium-term. The investor also wishes to capitalize on higher than usual volatility in order to maximize coupons at the time of launching the note.

Advantages:

- Investor receives a relatively high coupon payout (quarterly) throughout the life of the note.
- Capital protection at or above barrier at maturity
- Since the note has memory, if a coupon should not be paid during one of the quarterly observations, it can be paid in the next observation along with the next period's coupon.



Disadvantages:

- Coupon payments may be delayed depending on underlying performance.
- Not capital protection below barrier at maturity.
- Performance is always measured based on worst performing underlying in the case of a basket.

Yield Enhancement Notes

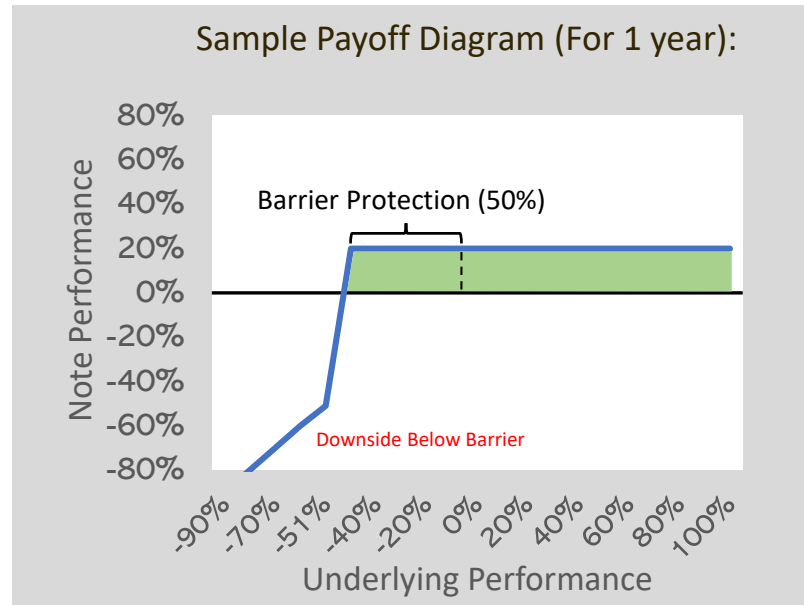
Daily Range Accrual:

Objective: Provide a conditional fixed income stream to the investor over an investment we expect to stay above a certain level (the barrier, usually stated in terms of % of current price). The coupon in this note accrues on a daily basis for every day that the worst performing underlying is above the barrier. Everything accrued is Protected on next payment date.

Investor Outlook: An investor who is moderately bullish or rangebound in the short to medium-term. The investor also wishes to capitalize on higher than usual volatility in order to maximize coupons at the time of launching the note.

Advantages:

- Investor receives a relatively high coupon payout (quarterly) throughout the life of the note.
- All accrued coupons are Protected at their respective payments dates.



Disadvantages:

- Days of accrual lost due to underperformance of worst underlying, will not be paid.
- Not capital Protected.
- Performance is always measured based on worst performing underlying in the case of a basket.

Yield Enhancement Notes

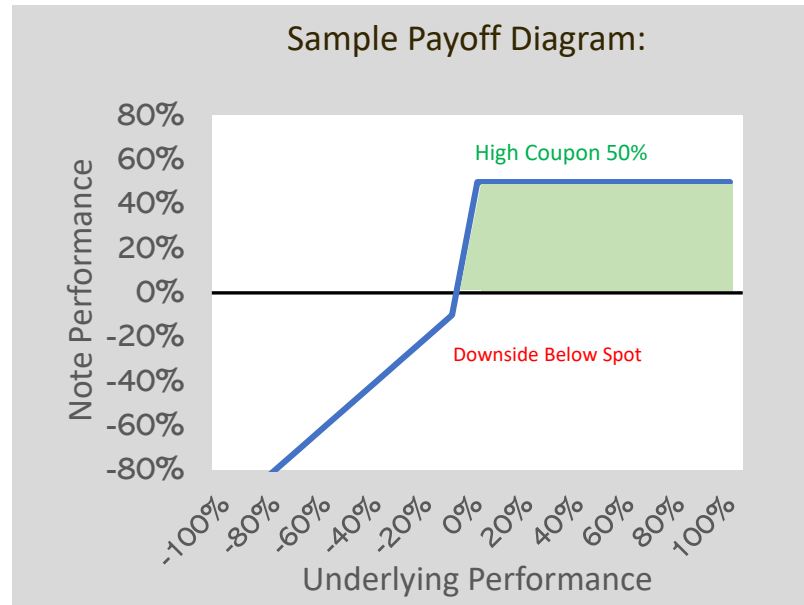
Recovery note:

Objective: Provide the investor with a structure to recover losses from an equity investment (usually around a 30% depreciation). The investor needs to own the underlying shares of the note since they will be putting up the shares as collateral.

Investor Outlook: An investor who is bullish on the current price of the underlying and foresees a short to medium term rebound in the underlying instrument.

Advantages:

- Investor receives a high coupon payout at the maturity of the note due to the high volatility of the underlying.
- Can be structured with short tenor (12 months).



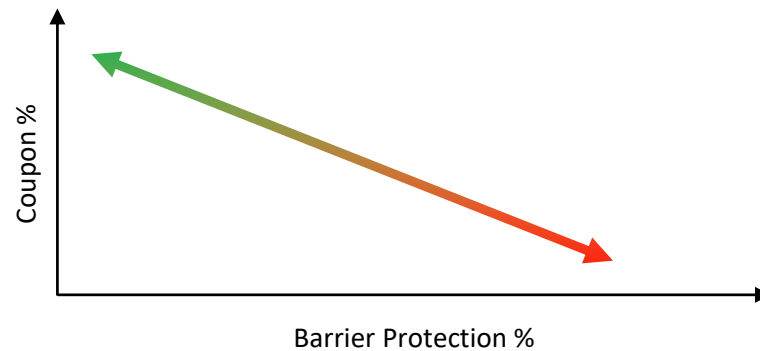
Disadvantages:

- Losses can continue below strike price of the note (usually strike is spot price on trade date)
- Cannot sell shares before maturity of the note.

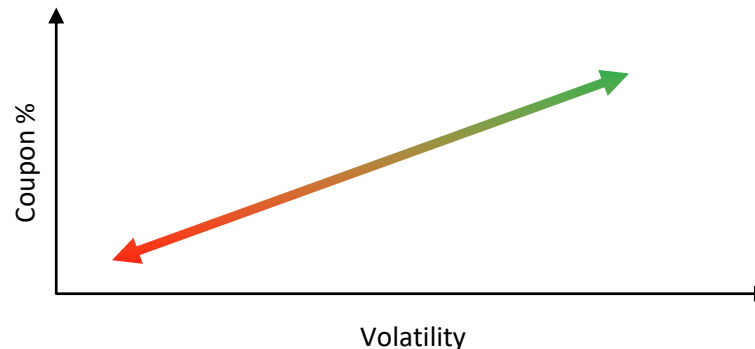
Yield Enhancement Notes

Major Factors in Pricing:

- **Barrier Level**: For yield enhancement notes, the barrier level serves as a level of protection for the coupon of the note, so the less the protection (higher the barrier level), the higher the coupon and vice versa.



- **Volatility**: The higher the implied volatility of an underlying security, the higher the coupon the investor will collect.



Yield Enhancement Notes

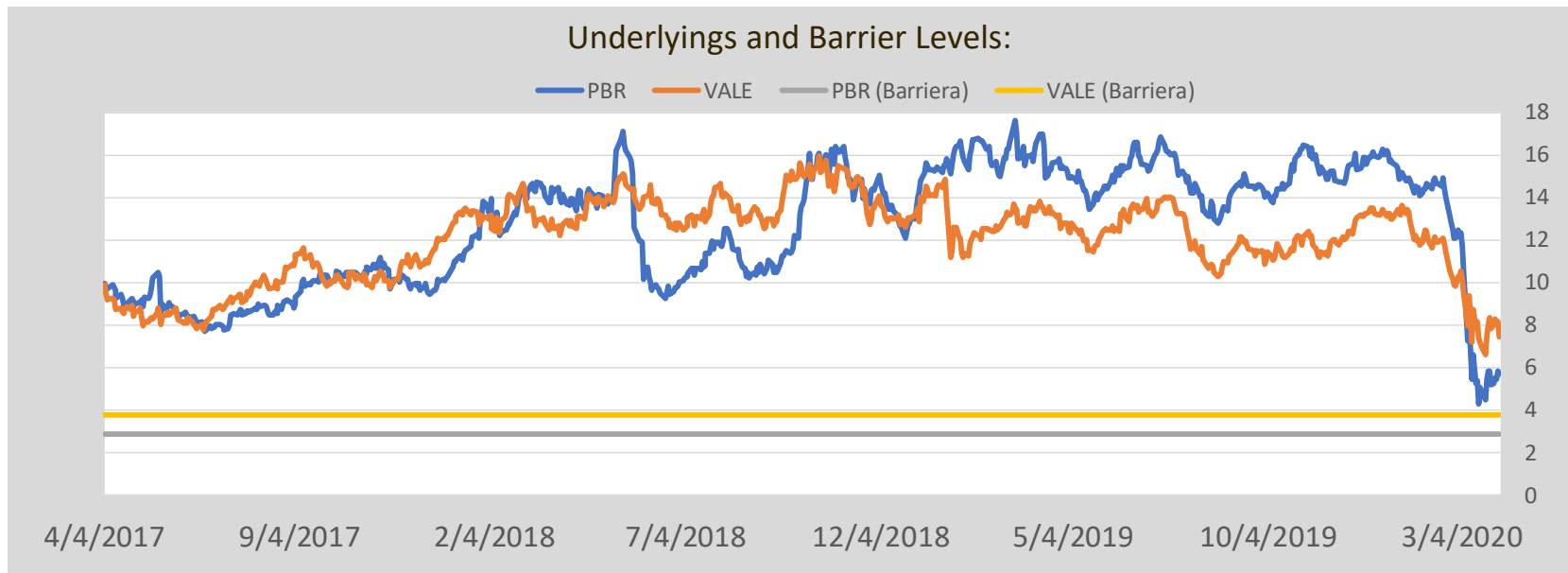
Traded:
4/3/2020

Daily Range Accrual:

Rationale: The recent market volatility caused by the unexpected severity of coronavirus cases has created a buying opportunity for quality companies. This structure takes advantage of the high level of volatility while positioning the investor in companies with bullish outlooks in the medium to long term.

Underlyinh (basket): Petrobras (PBR)
Vale S.A. (VALE)

Term: 3 years Callable: After 1 year
Coupon: 25.6% Coupon Currency: USD
Barrier: 50% Observations: Quarterly



* All notes are not protected against the issuer risk

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Participation Notes

Participation Notes without Protection

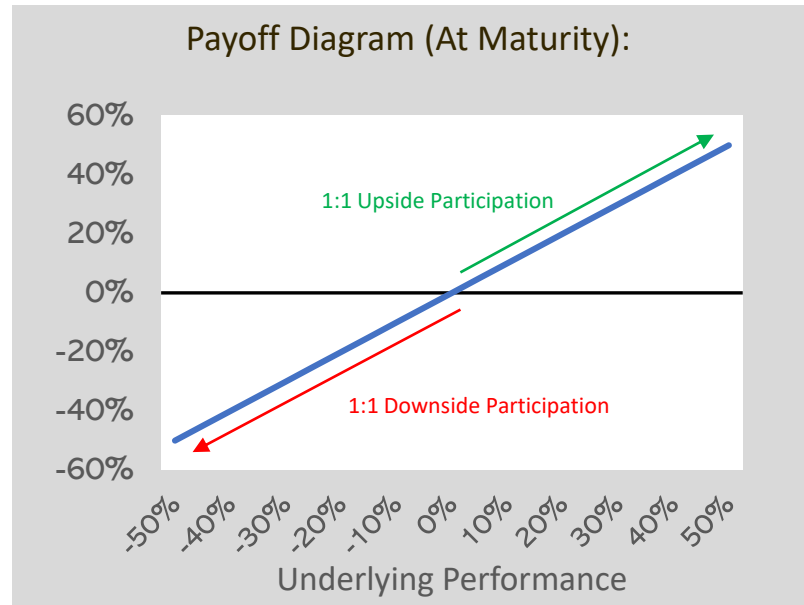
Tracker Notes (Certificates):

Objective: Efficiently track the performance of an underlying asset during the tenor of the note while capturing all dividends and capital distributions (total return). The instrument aims to replicate the performance of the underlying security or index as if the investor had made a direct investment in the underlying.

Investor Outlook: An investor who is bullish on the underlying investment or basket of underlying (usually stocks) and wishes participate in the upside of the investment for a set period of time.

Advantages:

- Efficient participation in underlying instrument or basket of instruments.
- Structuring and unwinding of instrument will not have an adverse effect of underlying performance if executed with the correct issuer.



Disadvantages:

- All payouts realized at maturity (no coupon during life of note)
- Tenor usually tends to be long (between 2 to 4 years)
- No downside protection.

Participation Notes without Protection

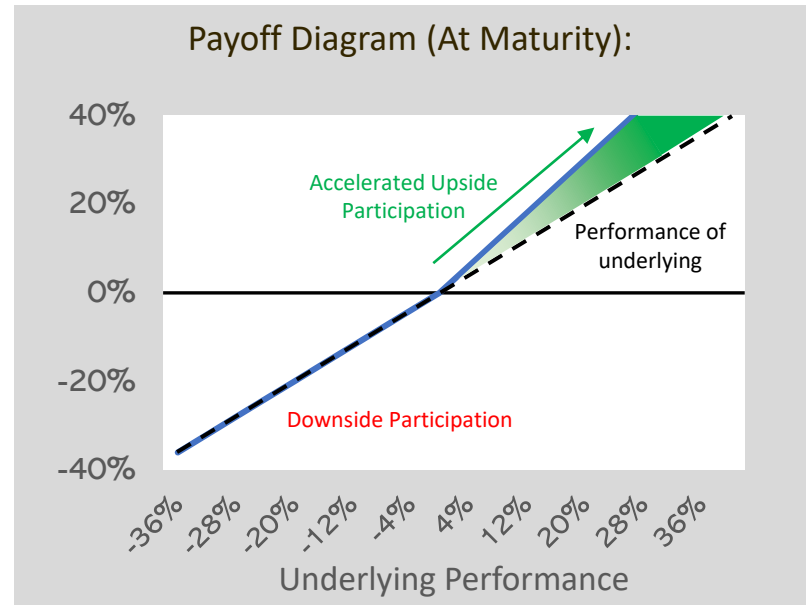
Accelerator Notes:

Objective: Return a multiple of the performance of an underlying investment if its performance is positive at maturity. The multiplying factor of performance is constant throughout the tenor of the note. The multiplier does not apply to downside performance of the underlying.

Investor Outlook: An investor who is bullish for the medium to long term. The note can be structured to reflect the investment horizon of the investor. This structure usually works with tenors between 2 to 5 years, but shorter tenors can be possible.

Advantages:

- Investor receives a multiple of the performance of underlying index.
- If underlying index has a positive return, the note will always outperform a direct investment in the underlying at maturity.



Disadvantages:

- All payouts realized at maturity (no coupon during life of note)
- Tenor usually tends to be long (between 2 to 5 years)
- No downside protection.

Participation Notes without Protection

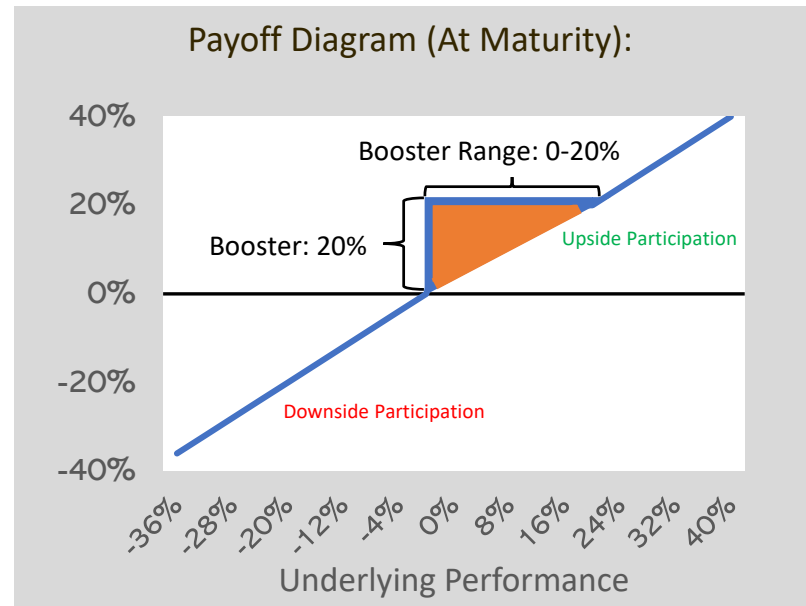
Booster Notes:

Objective: Provide a minimum return at maturity for an underlying index for a given positive performance range. For any positive performance greater than the range, the investor will participate in the appreciation of the underlying at maturity plus the booster performance.

Investor Outlook: An investor who is moderately bullish. As an example, a note that offers a 20% boosted return for any return in the equity investment between 20%, will provide the investor with a 20% payout at maturity even if the index performance is 0%. Investor still receives performance

Advantages:

- Investor receives a fixed performance even when underlying performance is mediocre.
- If the underlying “overshoots” the booster range, investor participates in the upside.



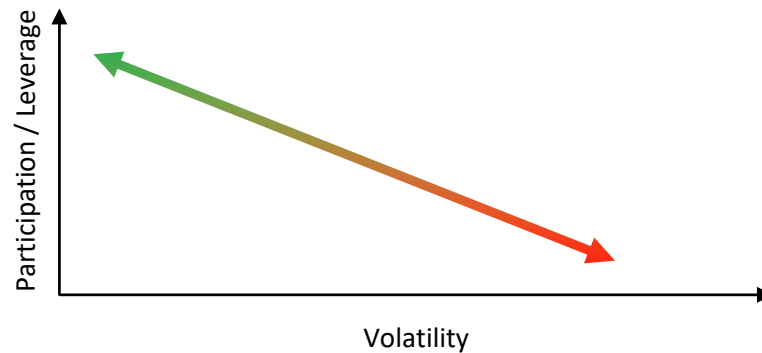
Disadvantages:

- All payouts realized at maturity (no coupon during life of note)
- Tenor usually tends to be long (between 2 to 4 years)
- No downside protection.

Participation Notes without Protection

Major Factors in Pricing:

- **Volatility**: The lower the volatility in the underlying security, the higher degree of participation and higher leverage for the note.



Thank You
