

m+ funds  
BY iCAPITAL

## DEFINED OUTCOME INVESTING

ADD CONTROL to your investments...  
protect and grow your assets.



## ADD CONTROL to your investments...protect and grow your assets

Developing a plan, and sticking with that plan, has proven to be the right recipe in achieving one's long-term goals. But it's the "sticking to the plan" piece that is frequently elusive for investors. With market risks, and changing outlooks, investors often seek to make changes to their investment portfolios too frequently.

At the same time, more and more investors are using passive investments, such as exchange-traded funds (ETFs), to create diversified portfolios. However, the level of protection offered by a diversified ETF portfolio can only go so far.

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With m+ funds, there is now a new way to retain ETF exposure but have greater control in limiting losses during severe market pullbacks.

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## ADD CONTROL to your investments...don't let volatility derail your goals

You're concerned that passive equity investments expose you to more downside risk than you're comfortable taking in exchange for the upside potential of the market.

m+ funds empower you to adjust your exposure to passive investments and achieve defined outcomes, including downside protection, at a predetermined maturity date.

### Weathering the Ups and Downs of Market Cycles



Source: NYSE Arca - Nasdaq and Alaia Capital LLC. This chart depicts the daily closing price of the SPDR® S&P 500® ETF Trust ("SPY") from January 29, 1993 to December 10, 2019. SPY is designed to track the S&P 500® Index, a representation of the U.S. equity market. The percentage decreases are calculated based on the historical highs and lows of the SPY at the close of selected trading days and do not include reinvestment of dividends. Past performance is no guarantee of future results. This chart is for illustrative purposes only.

## ADD CONTROL to your investments...align your investments to your goals

Traditionally, investors interested in reducing risk overweight fixed income in their portfolios. However, this approach may be less effective in a rising interest rate environment. Also, while this asset class is considered less risky, its historical returns have tended to be lower than equities. Now, you have more choices.

### How m+ funds work

m+ funds allow you to manage uncertainty as you define your investment outcomes. All m+ funds by iCapital provide a specific outcome relative to an ETF's return – and at a specific maturity date. These outcomes can include capital preservation with exposure to an ETF, enhanced upside on an ETF – or both.



**Market Exposure:** What equity market exposure are you seeking?

All m+ funds are linked to the performance of an underlying broad-based ETF such as the SPDR® S&P 500® ("SPY"), iShares® MSCI EAFE ETF ("EFA"), iShares® MSCI Emerging Markets (EEM), etc.



**Downside Protection:** What's your risk tolerance for downside exposure?

m+ funds provide opportunities for growth, but with a predetermined degree of desired downside protection. Protection ranges from full, partial – or no protection at all.



**Maturity:** What is your time horizon?

m+ funds have defined maturity dates that can be aligned with your specific goals, market views, and liquidity needs. Although m+ funds are intended to be held until maturity, daily liquidity is available at the fund's NAV.

## ADD CONTROL to your investments...a unique and flexible approach to achieving defined outcomes

With an m+ fund, you can customize your investments around your risk/return profile.

PRESERVATION STRATEGIES	BUFFER STRATEGIES	GROWTH STRATEGIES
Market exposure but with significant downside protection.	Market exposure with insulation from a specified amount of first losses.	Enhanced market exposure with no downside protection.

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m+ funds offer a range of downside protection or enhanced growth opportunities – all designed to align with your specific investment goals.

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### Talk to your Financial Advisor about the benefits of m+ funds, including:

- Protection against losses, if applicable
- Enhanced investment growth
- Greater control afforded by predetermined outcomes and maturity date
- Transparency with respect to holdings and fees
- Daily liquidity via publicly quoted NAVs

ADD CONTROL to your investments...be invested with confidence to attain your investment goals.

## What you should know before investing in m+ funds...

Before investing in an m+ fund, consider the terms as outlined in the offering documents, including the prospectus. Each m+ fund has a different payoff profile and may not provide capital protection. In addition, if a fund is sold prior to maturity, there is the potential for the value of the investment to be different from the specific payoff outlined in the prospectus. The following terms may help you better understand how m+funds work, including some of the benefits and risks. However, for a full description of risks and other important information, please consult each fund's prospectus.

### Market Risk



The value of the fund will vary and fluctuate based on many factors including changes in the price of the underlying reference asset, option prices, interest rates, dividends, time to maturity and implied volatility. As a result, prior to maturity, the fund may not increase or decrease in line with changes in the referenced ETF. Option prices are impacted by market factors such as the market price of the underlying asset, time left to maturity, interest rates, and implied volatility.

### Fees



Investors purchasing fund units are subject to upfront sales charges and organization costs which vary per fund and depend on the type of account purchasing the fund units, all described in the prospectus. The value of the fund will decrease by ongoing fees and expenses.

### Liquidity Risk



Liquidity of the options used in a fund may be limited in certain circumstances.

### Performance Risk



The funds are designed for investors who intend to hold fund units until the fund mandatory maturity date. If a fund is sold prior to maturity, there is the potential for the value of the investment to be different from the specific payoff range outlined in the prospectus.

### Suitability Risk



The structure of these securities may be complex, and the suitability of an investment should be considered based on your investment objective, risk tolerance, financial goals and time horizon.

Unlike a direct investment in the referenced ETF, investors in an m+ fund are not entitled to receive dividends. You should consider the portfolio's investment objective, risks, charges, expenses and your tax situation carefully before investing. Contact your financial advisor to request a prospectus, which will contain this and other information about the portfolio. Read it carefully before you invest.



## IMPORTANT INFORMATION – DISCLAIMER

All investments are subject to market risk, including possible loss of principal. Diversification cannot assure a profit or protect against loss in a declining market.

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