

m+ Contingent Income Fund FAQ



The m+ Contingent Income Fund ("UIT"), powered by iCapital's m+ funds platform, delivers a simple approach to income generation with defined risk controls. Designed for advisors seeking smarter income alternative, the fund offers transparent access to equity-linked notes with defined outcomes with the potential monthly cash flow. Backed by iCapital's structured solutions expertise, that compliments advisors position portfolios for income, protection, and clarity in various market environments.

OVERVIEW

The m+ Contingent Income Fund is a Unit Investment Trust ("UIT") designed to provide monthly income and potential principal protection through the use of diversified portfolio of structured notes. Each note offers contingent coupon payments and defined barriers at maturity. This fund may serve as an income-oriented alternative to traditional fixed income in a client portfolio. For those investors willing to take equity risk.

Q. What role does this play in a client portfolio?

A. The fund may be appealing for clients seeking enhanced income potential in a low-yield environment, willing to assume equity-linked risk with defined downside protection. It may complement traditional fixed income allocations, especially for income-oriented investors. Ideal clients include those comfortable with structured investments, seeking predictable cash flows, or using the fund as part of a diversified, multi-asset portfolio.

INCOME AND DISTRIBUTIONS

Q. How does the minimum coupon barrier work?

A. The Coupon Barrier is the threshold each underlier must meet or exceed to determine if a Contingent Coupon is paid. If any underlier is below this level,

no coupon is paid that month. With memory, missed coupons may be paid cumulatively in subsequent months.

Q. Does the fund have a memory feature for unpaid coupons?

A. Yes, notes may contain a memory feature. If a monthly Contingent Coupon is missed because an underlier is below its barrier, that missed coupon may still be paid later if, on a future observation date, all underliers are above their respective barriers. This coupon memory helps smooth the income stream over time and may allow clients to recover missed payments—though there's no guarantee of full recovery.

Q. When is income paid?

A. Income is paid monthly by the UIT, subject to whether each Structured Note's underliers close above their Coupon Barriers on the scheduled observation dates. If even one underlier in a note is below the barrier, no income is paid for that note in that month. As a result, total income may vary depending on market conditions and performance across all notes.

Q. How are distributions taxed?

A. Distributions are generally treated as interest income. All investors should consult a tax advisor for personal guidance.

Q. Can I reinvest distributions from the fund?

- A.** The fund does not offer automatic reinvestment. Any income due is paid in cash and must be reinvested manually by the investor if desired.

PRINCIPAL AND RISK

Q. When is principal from a Callable Note distributed?

- A.** If a Callable Note is autocalled, the principal (at par) plus any accrued or outstanding Contingent Coupons is paid on the next distribution date. The fund's NAV decreases accordingly.

Q. How does the principal barrier work at maturity?

- A.** Each Structured Note features a Principal Barrier—expressed as a percentage of its initial underlier level. If, at maturity, all underliers in a note are above their respective barriers, full principal is returned. If even one underlier finishes below its barrier, the principal is reduced on a 1:1 basis with the worst underlier's decline, potentially leading to a significant loss. This feature creates contingent downside protection.

Q. Is the income guaranteed?

- A.** No. Coupon payments are contingent on underlier performance. If underliers fall below their Coupon Barriers, income for that period may be missed. Advisors should set expectations that income is not assured and can fluctuate monthly depending on market conditions.

Q. What credit risks should I consider?

- A.** Each Structured Note is a senior unsecured obligation of a major financial institution. While the portfolio is diversified by issuer, a default by any issuer could reduce both income and return of principal.

LIQUIDITY AND NAV

Q. How will this appear on a client statement?

- A.** The fund will appear as a UIT position, showing units held, daily NAV pricing and monthly income distributions.

Q. What happens to the NAV if a note gets called?

- A.** If a Structured Note is called, its par value and any Contingent Coupons are distributed to unitholders on the monthly distribution date. The NAV decreases accordingly, as proceeds are not reinvested.

Q. What happens if a large number of notes get called?

- A.** If many notes are called, the UIT distributes those proceeds, reducing future income potential and lowering the NAV due to fewer remaining notes.

Q. What happens if I redeem before maturity?

- A.** The fund offers daily liquidity, but early redemption may result in a gain or loss based on current market value. Investors may miss out on potential income or the downside protection of the principal barrier.

FUND STRUCTURE AND MANAGEMENT

Q. What are the key structural features of a Unit Investment Trust?

- A.** As a UIT, the m+ Contingent Income Fund is passively managed and holds a static portfolio of notes over a fixed term. Holdings are disclosed upfront, providing transparency. Since the fund is not actively managed, the initial portfolio composition is key to its performance and client experience.

Q. How are Structured Notes selected for the fund?

- A.** Notes are selected based on yield, volatility, and diversification factors, with the aim of optimizing monthly income and balancing risk across issuers and sectors.

Q. How diversified is the fund?

- A.** The fund holds a portfolio of structured notes, each linked to a different set of underliers (stocks, ETFs, or indices) and issued by a different bank. This design offers diversification across both underlying exposures and credit counterparties, reducing the impact of any one issuer or sector underperforming.

Q. Can the fund's holdings change during its life?

- A.** No. The fund holds a static portfolio for its entire term. Holdings are fixed at inception and are not actively managed or traded.

Q. What happens after the UIT matures?

- A.** At maturity, all notes in the UIT are settled, and proceeds (if any) are distributed. The fund terminates and there is no automatic rollover.

Q. How does the m+ Contingent Income Fund fit within the m+ fund family?

- A.** The m+ Contingent Income Fund belongs to the Income category of m+ funds. Joining the family of Growth, Preservation, and Buffer, the Contingent Income Fund prioritizes income generation with contingent coupon payments and principal protection via maturity barriers.

FEES AND ACCESS

Q. How are fees charged in the m+ Contingent Income Fund?

- A.** The fund charges an upfront Creation and Development Fee and Organization Costs, which are deducted from NAV at inception. There is also an annual trustee fee and operation expenses. The fee-based CUSIP class omits advisor sales concessions and is suitable for advisory accounts, while the standard CUSIP includes a built-in sales concession for brokerage accounts. Please see prospectus for full terms.

Q. How do I access or purchase this fund?

- A.** The fund is available by prospectus to advisors through custodians like Fidelity, Pershing, and Schwab, with fee-based and brokerage CUSIPs depending on the account type.



IMPORTANT INFORMATION - SELECTED RISK FACTORS

INVESTORS SHOULD CAREFULLY CONSIDER THE INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES OF THE FUND BEFORE INVESTING. THIS AND OTHER IMPORTANT INFORMATION ABOUT THE FUND IS CONTAINED IN THE FUND'S PROSPECTUS, WHICH CAN BE OBTAINED BY CONTACTING YOUR FINANCIAL ADVISOR OR VISITING SEC.GOV. THE PROSPECTUS SHOULD BE READ CAREFULLY BEFORE INVESTING.

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. You should request a copy of the prospectus, which will contain a full description of the risks, and read it carefully before you invest. Capitalized terms that are not defined in this preliminary term sheet have the meaning ascribed to them in the prospectus.

The suitability of an investment should be considered based on, among other things, your investment objective, risk tolerance, financial goals and time horizons. The funds seek to achieve its investment objective over the life of the fund and has not been designed to deliver on its investment objective if the units are bought at prices different than the Inception Value of the units or are redeemed prior to the Maturity Date. All returns will be subject to reductions due to ongoing fees and expenses. Investors will not have the right to receive any dividends on the reference asset. There is no guarantee that the fund will achieve its investment objective. This material is provided for informational purposes only and is not intended as and may not be relied on in any manner as legal, tax or investment advice, a recommendation, or as an offer to sell, a solicitation of an offer to purchase or a recommendation of any interest in any fund or security offered by iCapital Markets LLC ("iCapital Markets"). This material does not intend to address the financial objectives, situation or specific needs of any individual investor.

Past performance is not indicative of future results. Alternative investments are complex, speculative investment vehicles and are not suitable for all investors. An investment in an alternative investment entails a high degree of risk and no assurance can be given that any alternative investment fund's investment objectives will be achieved or that investors will receive a return of their capital. The information contained herein is subject to change and is also incomplete. This industry information and its importance is an opinion only and should not be relied upon as the only important information available. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed, and iCapital Markets assumes no liability for the information provided.

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The economic terms are indicative only and will vary based on the market conditions at the time of the initial deposit of such Series. 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 horizons. This UIT is a buy and hold strategy and investors should consider their ability to hold the trust until maturity. There may be tax consequences unless units are purchased in an IRA or other qualified plan.

Security prices will fluctuate. The value of your investment may fall over time. Amounts available to distribute to unit-holders upon dissolution of the trust will depend primarily on the performance of the trust's investment and are not guaranteed. The value of the units will decrease over time by the trust annual fees.

Credit risk is the risk an issuer, guarantor or counterparty of a security in the trust is unable or unwilling to meet its obligation on the security. Unit-holders will not have control, voting rights or rights to receive cash dividends or other distributions or other rights that holders of a direct investment in the Reference Asset or its constituents would have.

STRUCTURED INVESTMENTS ARE CONSIDERED COMPLEX PRODUCTS AND MAY NOT BE SUITABLE FOR ALL INVESTORS. Please note that there is no public secondary market for structured investments. Although the issuer may from time to time make a market in certain structured investments, the issuer does not have any obligation to do so, and market making may be discontinued at any time. Accordingly, an investor must be prepared to hold such investments until maturity. Any or all payments are subject to the creditworthiness of the issuer. The trust might not achieve its objective in certain circumstances. Certain circumstances under which the trust might not achieve its objective are if the trust liquidates structured notes prior to expiration, due to redemptions or otherwise, if the trust is unable to maintain the proportional relationship based on the number of structured notes in the trust's portfolio, or because of trust expenses or due to adverse tax law changes affecting treatment of the structured notes. We do not actively manage the portfolio. Except in limited circumstances, the trust will hold, and continue to buy, the same securities even if their market value declines.

Tax risk. The trust intends to elect and to qualify each year to be treated as a regulated investment company ("RIC") under Subchapter M of the U.S. Internal Revenue Code of 1986, as amended (the "Code"). As a RIC, the trust will not be subject to U.S. federal income tax on the portion of its net investment income and net capital gain that it distributes to unit-holders, provided that it satisfies certain requirements of the Code. If the trust does not qualify as a RIC for any tax- able year and certain relief provisions are not available, the trust's taxable income will be subject to tax at the trust level and to a further tax at the unit-holder level when such income is distributed.

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