STIFEL

Structured Investments Disclosure

(SPSD)

Client Name:____________________ Account Number:____________________

Introduction

Structured Investments are financial instruments that are generally derived from or based on a single security, basket of securities, an index, one or more interest rates, a commodity or basket of commodities, a debt issuance, a foreign currency or basket of currencies, and/or an actively or passively managed fund or collection of funds (each, a "Structured Investment"). Structured Investments may not be suitable for all investors. Investors should be prepared to hold the Structured Investment until maturity. If you do not fully understand how Structured Investments work, as well as their associated risk, you should not invest in these products.

Structured Investments require the investor to assess several characteristics and risks that may not be present in other forms of investment, including structure risks (risks related to movements in the underlying asset and the effect of such movements on payouts under the Structured Investment), currency risks, liquidity risks, and other types of risks. Some of these Structured Investments offer protection of the principal invested (contingent on the ability of the issuer to repay its senior unsubordinated obligations at maturity), whereas others offer more limited or no protection of the principal.

Because the principal or interest payment on a Structured Investment is tied to the value of another asset or assets, a change in the value of that asset can affect the return on the Structured Investments in a manner not characteristic of non-structured obligations.

This document is not meant to be all-inclusive; rather, it is intended to highlight certain of the more significant factors and special risks relating Structured Investments. Important information and risks specific to each Structured Investment offering will be disclosed in the offering materials for the specific product, and you should carefully review all related disclosures prior to investing in any Structured Investment.

General Risk Factors

1. **Price Volatility.** Fluctuations in currency exchange rates, interest rates, commodity rates, index levels, credit spreads, or the market value of an underlying security or commodity, or portfolio of securities or commodities, will affect the value of a Structured Investment. Because payments on or obligations under a Structured Investment can vary on the basis of factors that may not be present in non-structured obligations (such as the term of maturity of the Structured Investment, the volatility of the underlying security or portfolio of securities, interest rates, foreign currencies, or commodities), the market value of a Structured Investment can change in a manner not characteristic of non-structured obligations. Further, a change in interest rates or a change in the volatility of the underlying index or security can affect the value of a Structured Investment even though the value of the underlying asset is unchanged (and vice versa). Additionally, the magnitude, frequency, and rate of change in the value of a Structured Investment can be significantly greater than that of non-structured obligations.

   Since the characteristics of a particular underlying instrument are so important to how these securities perform, it is important to review the disclosure documentation, including any term sheet, carefully to ensure that you fully understand the nature of the underlying instrument.

2. **Pricing and Value of Structured Investments.** The price and other terms of Structured Investments are established for each product by Stifel or one or more of its affiliates. Stifel does not represent or warrant to you that the prices at which it offers Structured Investments are the best prices available to you. Bid and offer prices for Structured Investments need not be quoted by dealers, and, even where they are, they will be established individually by such dealers. Also, prices may reflect the payout of commissions to the Stifel Financial Advisor and profits and costs associated with the risks of hedging any particular Structured Investment. Consequently, it may be difficult to determine the best price available for a particular Structured Investment.

3. **Liquidity.** There is no assurance that a secondary market will develop. While the issuer of a Structured Investment may generally intend to support a secondary market for Structured Investments it sells to clients, neither Stifel nor an issuer are under any obligation to establish or create such a secondary market. Further, any such secondary market, if established, may not be liquid. It may, therefore, be difficult or impossible to close out an existing position or sell a security if rates or market prices have moved against you, or to assess the value of your position or your exposure to risk after entering into or purchasing the Structured Investment. Unless specified in the offering document for the relevant Structured Investment, investors should be prepared to hold the Structured Investment until maturity.

4. **Loss of Principal.** Structured Investments usually do not provide a guarantee of the initial principal amount at maturity and may be worth substantially less, depending on the performance of the underlying investments. You may lose part or your entire principal invested. Some Structured Investments contain a feature that is designed to return, at a minimum, the investor's initial investment, or some stated portion of the initial investment, at maturity. Such features will be contingent on the ability of the issuer to repay its senior unsubordinated obligations at maturity; Structured Investments always

are subject to credit risk and do not provide a guarantee against default of the issuer. Additionally, because the initial investment will be marked-to-market, the value at any time over the life of the security may be more or less than the stated principal amount an investor would receive at maturity. Therefore, investors who sell or redeem products prior to maturity may experience substantial loss of principal.

5. **Using Structured Investments to Hedge Risks.** Structured Investments are often purchased or entered into in order to hedge all or part of the risk of ownership, or prospective ownership, of another investment. To the extent you purchase a Structured Investment to hedge risk, it is essential that you understand both the risks to which you remain subject and the profit opportunities on the investment being hedged that you may be foregoing by purchasing the Structured Investment.
6. **Counterparty Credit.** Certain Structured Investments may require that the issuer or guarantor make payments to you during the term of the Structured Investment. The issuer or guarantor is henceforward referred to as "the Counterparty." Since the Counterparty may be obligated to make substantial payments to you during the term of each Structured Investment, you must evaluate the credit risk of transacting business with the Counterparty. The Structured Investments are obligations of the Counterparty, and not of Stifel; accordingly, any change in the creditworthiness of the Counterparty could affect the value of the Structured Investment. You should evaluate the creditworthiness of the Counterparty prior to making your investment decision.
7. **Indices.** Stifel does not warrant, and is not responsible for, the structure, method of computation, or publication of any currency exchange rates, interest rates, commodity rates, indices of such rates, or equity indices, unless Stifel specifically advises you otherwise in writing.
8. **Taxes.** Accepted tax treatment for investments in Structured Investments may vary. Stifel is not a tax advisor and is not hereby offering tax advice. You are encouraged to carefully review the offering materials and consult with your tax and/or legal advisors prior to purchasing a Structured Investment.
9. **Affiliate.** An affiliate of Stifel Financial Corp. may receive compensation from the issuer of the notes in connection with research and other services provided by the affiliate to the issuer. The affiliate's compensation does not have any effect on the commissions or other remuneration that the client may owe Stifel in connection with purchasing and/or holding notes in the client's account.

Other Risks for Structured Certificates of Deposits (CDs)

1. **Call Risk.** Some Structured Investments may have a call feature that allows the issuer the option to call the debt prior to maturity.
2. **Income Risk.** Many Structured CDs do not pay a fixed rate of interest; instead, such products' return may be realized at maturity based upon the underlying asset or basket of assets or index. The interest rate earned may be lower than the interest rate available on other investments with the same maturity and could even be as low as zero. Some, but not all, Structured CDs may have maximum rates of return, regardless of the performance of the underlying index or strategy.
3. **Principal Risk.** Although Structured CDs are insured CDs, the Federal Deposit Insurance Corporation ("FDIC") limit of $250,000 per depositor only applies to the principal amount of the CD purchased. If sold prior to maturity, the sale will be subject to market prices and principal may not be fully returned.

Conclusion

You should carefully consider the specific characteristics of any investment, including Structured Investments, before effecting any transaction. This risk disclosure document is not intended to enumerate all of the risks associated with investing in Structured Investments.

Important information and risks specific to each Structured Investment will be disclosed in the associated offering materials, and you should carefully review all related disclosures prior to investing. As you would with any investment, please undertake a thorough review of the legal, credit, tax, accounting, and economic considerations associated with Structured Investments in reaching a determination as to their appropriateness for you. As a reminder, Stifel does not provide tax, legal, or accounting advice.

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

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