

2 Year 100% Capital Secure Income Bond 10

Investment Rationale

1. Key Investment Risk & Return Considerations

The table below describes the key Investment Risk and Investment Return characteristics that Financial Brokers should consider when recommending this Bond to retail investor clients:

Feature	Description
Investment Theme	European Equities Benchmark Equity Index EuroStoxx 50 Index (SX5E Index)
Rationale for Theme	EuroStoxx 50 Index is a Benchmark Index of Eurozone Equities Indices provide a broad, passive exposure to the largest companies in a particular region or sector (Eurozone Equities in this case).
Return Potential	No Negative Return Possible. Positive Returns: Fixed Investment Return: 2.75% Fixed Return paid out at the end of years 1 and 2 (5.5% in total) regardless to Investment Performance. Potential Investment Return: 0.05% Potential Additional Return at Maturity if the Index is at or above its initial level at the Final Valuation Date.
Minimum Return	5.5%
Maximum Return	5.55%
Investment Risk Level	Low
SRI	1
Hard Capital Protection	100%
Investment Term	2 Years (Short)
Unique Features	Fixed Investment Return of 2.75% at the end of each year regardless to investment performance. Potential Additional Return: 0.05% conditional on the Index being at above its initial level on Final Valuation Date.

Product Compromises	Opportunity Cost: Investment Returns could be higher if no Capital Protection feature applied. 2 Year Term: Bond is designed to be held for the full 2 year term.
Liquidity	Yes
Taxation	Income Tax for Personal Investors Exempt for Pension & Post Retirement Schemes

2. Investment Rationale in more detail

The investment rationale for investing in the Bond and in this Index can be summarised as follows:-

1. Capital Protection:

100% Capital Protection at Maturity.

2. Fixed Investment Return:

2.75% Fixed Return paid out at the end of each year regardless to Investment Performance.

3. Potential Investment Return:

0.05% Potential Return at Maturity if the EuroStoxx 50 Index is at or above its initial level at the Final Valuation Date.

The EuroStoxx 50 Index

The EURO STOXX 50 Index underlies more than 27 billion euros in ETF assets and futures, and options on the index are the most actively traded EUR-denominated index derivatives on Eurex (data as of July 2023). This index tracks the Eurozone’s biggest and most traded companies and offers diversified exposure to the region’s supersector leaders. The index underlies one of the world’s largest ranges of exchange-traded funds (ETFs), futures, options, and structured products.

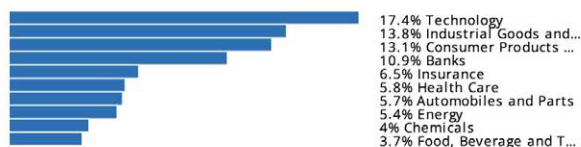
Source: <https://qontigo.com/index/sx5e/>
Index Fact Sheet: <https://qontigo.com/index/sx5e/?factsheet=true>

Warning: The EuroStoxx 50 Index (SX5E Index) is a Price Return Index. Dividends or income distributed by the Index constituents will not be re-invested in this Index nor distributed to investors.

Index Sector and Country Weightings

The Index has had an annualised return of 8.1% over the last 5 years as follows:

Supersector weighting (top 10)



Country weighting



Source: <https://qontigo.com/index/sx5e/?factsheet=true> (31 January 2024)

Index Top 10 Holdings

The Index has had an annualised return of 8.1% over the last 5 years as follows:

Company	Supersector	Country	Weight (%)
ASML HL DG	Technology	Netherlands	9.751%
LVMH MOET HENNESSY	Consumer Products and Services	France	6.063%
SAP	Technology	Germany	4.979%
TOTAL ENERGIES	Energy	France	4.393%
SIEMENS	Industrial Products and Services	Germany	3.783%
L'OREAL	Consumer Products and Services	France	3.270%
SANOFI	Health Care	France	3.244%
SCHNEIDER ELECTRIC	Industrial Products and Services	France	3.175%
ALLIANZ	Insurance	Germany	3.029%
AIR LIQUIDE	Chemicals	France	2.757%

Source: <https://qontigo.com/index/sx5e/?factsheet=true> (31 January 2024)

Index Past Performance

The Index has had an annualised return of 8.1% over the last 5 years as follows:

Index returns	Return (%)					Annualized Return (%)				
	Last month	YTD	1Y	3Y	5Y	Last month	YTD	1Y	3Y	5Y
EURO STOXX Banks	2.8	2.8	11.6	33.5	47.1	N/A	N/A	11.8	10.2	8.1

Source: <https://qontigo.com/index/sx5e/?factsheet=true> (31 January 2024)

Warning: Past Performance is not a reliable guide to future performance.

3. Investment Return Scenarios

The **Fixed Annual Return** of 2.75% is paid out at the end of each year regardless to performance. The table below describes the annual fixed return payable to investors each year based on an initial investment of €100,000:

Period	Date of Fixed Return Payment	Amount Paid Out (€)
Year 1	12 May 2025	2,750.00
Year 2	11 May 2026	2,750.00
Total		5,500.00

The **Potential Investment Return** is calculated on the Final Valuation Date at the end of the term. Investors will receive a return of 0.05% if the Index is at or above its initial level at the Final Valuation Date.

The table below describes how the Potential Investment Return calculated in example negative, neutral and positive investment return conditions for investors if €100,000 is invested:

Description	Example 1 Negative Return -30%	Example 2 Negative Return -20%	Example 3 Negative Return -5%	Example 4 Neutral/ No Return	Example 5 Positive Return 5%	Example 6 Positive Return 20%	Example 7 Positive Return 30%	Example 8 Positive Return 50%
Initial Amount Invested (€)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Return from Underlying Index (%)	-30%	-20%	-5%	0%	5%	20%	30%	50%
Projected Gross Investment Return (€)	0	0	0	50	50	50	50	50
Projected Amount returned to Investors Before Tax (€)	100,000	100,000	100,000	100,050	100,050	100,050	100,050	100,050

Warning: These figures are estimates only. They are not a reliable guide to the future performance of your investment.

4. Warnings

Warning: The value of your investment may go down as well as up.

Warning: Deductions for costs and charges are not made uniformly throughout the life of the product, but are loaded disproportionately onto the early period. If an investor sells the Bond prior to the end of the 5 year term, the practice of front-end loading will impact on the amount of money that the investor receives. The investor may not get back the full amount they invested or the Capital Protected amount if sold prior to maturity.

Warning: This document is intended for Financial Broker firms only and is not suitable for potential Investors. This document should be read in conjunction with the product Brochure where a full list of warnings is provided.



101 Morehampton Road
Donnybrook Village
Dublin 4, D04 T0C2

www.brokersolutions.ie

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