

3 Year Oil Bonus Builder Bond 2

FINANCIAL BROKER TRAINING GUIDE

This is marketing material.

- Investment in Oil
- 3 Year Term
- New Bonus Builder Feature
- Potential Bonus of 16.1% each year
- Access to Capital During the Term
- Summary Risk Indicator 5

Warning: This Bond is not Capital Protected. If you invest in this Bond you can lose some or all of the money you invest.

Warning: This document is a Training Guide for Financial Broker firms and should not be provided to any potential investors.

MARCH 2024

1. Summary of Key Features

- The 3 Year Oil Bonus Builder Bond 2 (the Bond) is an innovative new Investment Solution designed for investors who wish to invest in a Structured Retail Product that offers **attractive potential investment returns** linked to the performance of WTI Crude Oil. The Bond is suitable as part of the process of constructing a genuinely diversified investment portfolio.
- The **Underlying Investment** of the Bond is the **WTI Crude Oil** (Oil).
- Investors in the Bond have their **Capital at Risk**. This means that you may lose some or all of the capital invested in this Bond. Broker Solutions considers the Bond to have a **Summary Risk Indicator of 5** on its risk scale.



- The Bond has **Full Capital at Risk**. There is **no Capital Protection feature**. For example, if the value WTI Crude Oil has fallen by 30% or more at the Final Valuation Date, investors will lose 1% for every 1% decline in the value of WTI Crude Oil (i.e. investors will lose 30% of their investment).
- **Bonus Builder Feature: Potential 16.1% bonus each year** if Oil is above its initial level at the end of each year. The potential bonuses are rolled up and paid at Maturity.
- **Memory Feature:** If any potential bonus is missed, it can be caught up if the conditional return level (above initial level) is exceeded at the end of any subsequent year.
- Investors will receive **100% Participation in any negative performance of WTI Crude Oil** on the Final Valuation Date.
- The Term is **3 years**.
- The **Maximum Investment Return is 48.3%**.
- The Bond will be **listed on the Luxembourg Stock Exchange**.
- **Daily liquidity** will be provided to investors that wish to sell the Bond prior to maturity under normal market conditions and at the discretion of BNP Paribas Financial Markets SNC.
- The **Minimum Investment** in the Bond is **€30,000**.
- The **Closing Date for applications is 30 April 2024** (or earlier if fully subscribed).
- **Taxation:** We understand that the return will be subject to **Capital Gains Tax (CGT) in the case of Personal and Company Investors**. We understand that any returns are **exempt from taxation in the case of Pension and Post Retirement Investors**.

Warning: All of the terms outlined in this document are indicative and subject to change. The final terms will not be known until 10 May 2024. Your Financial Broker will confirm the final terms in the Confirmation Certificate issued shortly after the Issue Date on 17 May 2024. If the terms of the Bond have changed significantly on 10 May 2024, your Financial Broker will contact you again requesting a new instruction to proceed with the investment.

Warning: If you invest in this Bond you may lose some or all of the money you invest.

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 3 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.

Disclaimer: This document has not been reviewed, approved or otherwise endorsed by BNP Paribas or any of its affiliates and BNP Paribas accepts no responsibility in relation to the accuracy, completeness or adequacy of the information included herein. Nothing in this document should be considered to be a representation or warranty by BNP Paribas to any person, including without limitation, any potential investor and any member of the public, regarding whether investing in the Bond described herein is suitable or advisable for such person.

2. Description of the 3 Year Oil Bonus Builder Bond 2

The investment rationale for investing in the Bond and in WTI Crude Oil can be summarised as follows:-

- **Bonus Builder Feature:** Potential 16.1% bonus each year if WTI Crude Oil is above its initial level at the end of each year. The potential bonuses are rolled up and paid at Maturity.
- **Memory Feature:** If any potential bonus is missed, it can be caught up if the conditional return level (above initial level) is exceeded at the end of any subsequent year.
- Investors will receive 100% Participation in any negative performance of WTI Crude Oil on the Final Valuation Date.

Oil is the world's most ubiquitous commodity or natural resource. Oil is extracted in order to produce energy to propel vehicles, to heat buildings, and to produce electricity etc. Oil is also used in the industrial sector as a raw material to make products such as plastics, polyurethane, solvents, and hundreds of other intermediate and end-user goods (e.g. textiles, health and beauty products, medical supplies and household products). Dependency on fossil fuels such as Oil is being reduced or phased out around the world due to its contribution to global warming and its impact on our environment. In the meantime, Oil remains an important component of the energy and industrial production sectors.

Oil Demand: demand for Oil has been relatively stable in 2022 and 2023 and can be expected to be similarly stable in the next 3 years should global economic performance remain positive and stable (notwithstanding the inflation threats and the impact of higher interest rates).

Oil Supply: OPEC supply is currently stable and appears to be organised effectively by these powerful Oil producing countries and regions. Non-OPEC supply (which is traditionally less stable) also appears to be relatively controlled and stable at this time. However, the potential for Supply Side disruption due to wars in Russia/Ukraine and Israel/Palestine (particularly if this conflict spreads elsewhere in the Middle East or causes interruptions to shipping supply channels) is evident in 2024 and beyond. Any interruption to the Oil Supply or to supply chain infrastructure has the potential to destabilise or Oil supply which generally results in higher Oil prices.

What is WTI Crude Oil?

West Texas Intermediate (WTI) Crude Oil is a specific grade of crude oil and one of the main three benchmarks in oil pricing, along with Brent and Dubai Crude. WTI is known as a light sweet oil because it contains less than 0.50% sulphur (normally about 0.24% to 0.34%), making it "sweet," and has a low density making it "light."

WTI is the underlying commodity of the New York Mercantile Exchange's (NYMEX) oil futures contract and is considered a high-quality oil that is easily refined.

Like Brent Crude Oil, WTI Crude Oil is considered an oil benchmark, frequently quoted in the media as the price of oil.

Source: <https://www.investopedia.com/terms/w/wti.asp> (9 January 2024)

WTI Crude Oil Past Performance

The below chart illustrates the closing price for WTI Crude Oil over the last 10 years. The prices shown are in U.S. dollars. The current price of WTI crude oil as of 19 March 2024 is \$83.12 per barrel.



Source: <https://www.macrotrends.net/2516/wti-crude-oil-prices-10-year-daily-chart> (24 March 2014 to 15 March 2024)

Year	Closing Price	Year Open	Year High	Year Low	Year Close	Annual % Change
2024	\$76.21	\$71.65	\$83.12	\$70.38	\$83.12	16.53%
2023	\$77.64	\$80.26	\$93.84	\$66.74	\$71.33	-11.40%
2022	\$94.53	\$72.08	\$123.70	\$71.59	\$80.51	7.05%
2021	\$68.17	\$47.62	\$84.65	\$47.62	\$75.21	55.01%
2020	\$39.68	\$61.17	\$63.27	\$11.26	\$48.52	-20.64%
2019	\$56.99	\$46.31	\$66.24	\$46.31	\$61.14	35.42%
2018	\$65.23	\$60.37	\$77.41	\$44.48	\$45.15	25.32%
2017	\$50.80	\$52.36	\$60.46	\$42.48	\$60.46	12.48%
2016	\$43.29	\$36.81	\$54.01	\$26.19	\$53.75	44.76%
2015	\$48.66	\$52.72	\$61.36	\$34.55	\$37.13	-30.53%
2014	\$93.17	\$95.14	\$107.95	\$53.45	\$54.45	-45.55%

Source: <https://www.macrotrends.net/2516/wti-crude-oil-prices-10-year-daily-chart> (24 March 2014 to 15 March 2024)

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

Product Back Testing

We back tested 1,305 3 year periods solely between 7 March 2016 and 5 March 2024. A summary of the back testing results are as follows:

Worst Return	-17.17%
Best Return	+48.3%
Average Return	+26.55%
Number of times investors received back Negative returns	387 (29.66%) of all 3 year periods tested
Number of times investors received back 0% returns	0 (0%) of all 3 year periods tested
Number of times investors received Positive returns	918 (70.34%) of all 3 year periods tested

Source: Bloomberg, BNP Paribas (March 2024)

Important Considerations

This back test data set includes numerous overlapping 3 year periods between 7 March 2016 and 5 March 2024.

The back testing of this product over all 1,305 3 year periods during the testing period illustrates only 387 negative periods or negative outcomes where investors lost some or all of their capital. Investors should not consider this product back test illustration or previous product performance results as an indication of the potential for, or likelihood of positive outcomes or investment gains in the future. Past Performance and Product Back Test are not reliable guides to future performance which depends solely on future events.

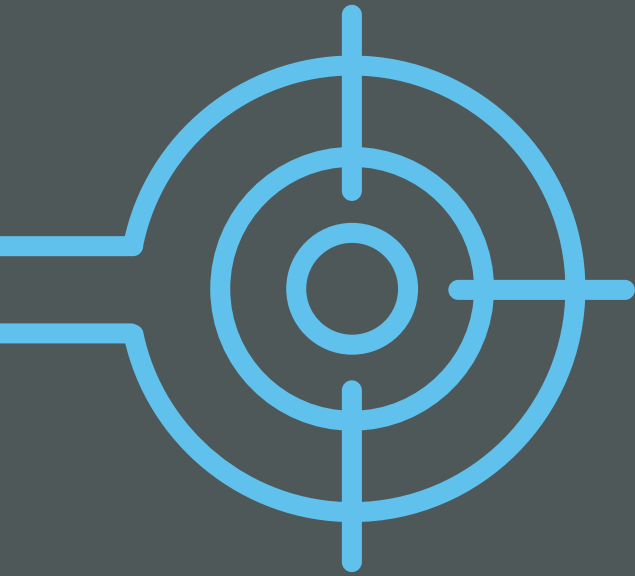
Warning: Investors should not consider this product back test illustration or previous product results as an indication of the potential for, or likelihood of, positive outcomes or investment gains in the future.

Limited Usefulness of Past Performance and Back Testing

Past Performance and Back Testing are useful for information purposes only. The analysis of the past performance of any investment asset(s) or the back testing of any investment product is purely academic and has no bearing on, or provides limited benefit in the assessment of the future performance potential of the investment asset(s) or the investment product in question. The future performance of any investment asset(s) or investment product depends solely on future events and circumstances that cannot be known in advance and that are not necessarily informed by or influenced by what has happened in the past, more recently or otherwise.

Warning: Past Performance and Simulated Past Performance are not a reliable guide to future performance.

Warning: Product Back Testing is not a reliable guide to future performance.



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