

4 Year Equities Bonus Builder Bond 5

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 Equity Index EuroStoxx 50 Index
Rationale for Theme	EuroStoxx 50 Index is the most recognised Index of European shares. Indices provide a broad, passive exposure to the largest companies in a particular region (the Eurozone in this case).
Potential Bonuses	Potential 7.82% bonus each year if the Index 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.
Investment Risk Level	Medium to High
SRI	4
Soft Capital Protection	None. This Bond is Full Capital at Risk If the Index has fallen at the Final Valuation Date, investors will lose 1% for every 1% decline in the value of the Index on the Final Valuation Date.
Investment Term	4 Years (Medium)
Unique Features	Bonus Builder: 7.82% bonus if Index is above its initial level each year. Memory Feature: If any potential bonus is missed, it can be caught up.
Product Compromises	No Capital Protection: Investors can lose some or all of the amount invested. Opportunity Cost: Capital Returns or Investment Income could be higher if invested in a concentrated portfolio of shares or risky assets rather than an Index. Bonuses capped at 7.82% per year and Bond return is capped at 31.28%. Capital Returns could be higher if invested without a performance cap or with unlimited investment returns.
Liquidity	Yes
Taxation	Capital Gains Tax (CGT) in the case of Personal and Company 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:-

- Bonus Builder Feature: Potential 7.82% bonus each year if the Index 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 the Index on 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.

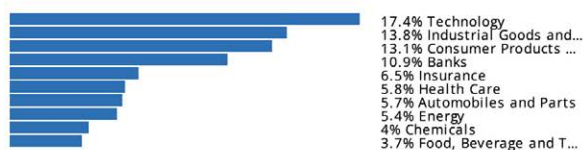
Source: <https://qontigo.com/index/sx5e/>

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

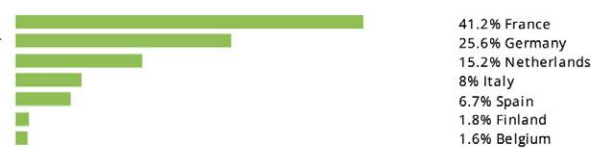
Warning: The EuroStoxx 50 Index (SX5E Index) is a Price Return Index. Dividends or income distributed by the Index constituents will not be re-invested in this Index nor distributed to investors.

Index Sector and Country Weightings

Supersector weighting (top 10)



Country weighting



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

Index Top 10 Holdings

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 50 Index	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.

Product Back Testing

We conducted back testing of this Bond between March 2015 and March 2024. Please contact your Financial Broker for details or for more information.

Financial Brokers can access Back Testing information in the Broker Training Guide.

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.

Key Information Document (KID) Product Performance Scenarios

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

Recommended holding period: 17 May 2028			
Example Investment: EUR 10,000.00			
Scenarios		If you exit after 1 Year	If you exit at maturity
Minimum	There is no minimum guaranteed return. You could lose some or all of your investment.		
Stress	What you might get back after costs Average return each year	EUR 1,728 -80.72%	EUR 2,410 -29.93%
Unfavourable	What you might get back after costs Average return each year	EUR 6,819 -31.81%	EUR 5,558 -13.66%
Moderate	What you might get back after costs Average return each year	EUR 9,910 -0.9%	EUR 13,128 7.04%
Favourable	What you might get back after costs Average return each year	EUR 11,125 11.25%	EUR 13,128 7.04%

This table shows the money you could get back over the next 4 years under different scenarios, assuming that you invest €10,000.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

Warning: Performance Scenarios are not a reliable guide to future performance.

3. Warnings

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

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

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.



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