

# 5% Annual Distribution Bond

## 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
<b>Investment Theme</b>	Guaranteed Income each year regardless to investment performance Benchmark Index EuroStoxx 50 Index (SX5E Index)
<b>Rationale for Theme</b>	EuroStoxx 50 Index is the most recognised Benchmark Index of Euroland shares. Indices provide a broad, passive exposure to the largest companies in a particular region (Euroland in this case).
<b>Fixed Annual Return</b>	5% paid out at the end of each year. Not dependent on investment performance.
<b>Investment Risk Level</b>	Medium
<b>SRI</b>	4
<b>Capital Protection</b>	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.
<b>Investment Term</b>	4 Years (Medium)
<b>Unique Features</b>	Fixed Annual Return of 5% paid out at the end of each year regardless to investment performance.  Total Fixed Return: 20%
<b>Product Compromises</b>	<b>No Capital Protection:</b> Investors can lose some or all of the amount invested. <b>Opportunity Cost:</b> Capital Returns or Investment Income could be higher if invested in a concentrated portfolio of shares or risky assets rather than an Index. Returns are capped at 4.6% per year and Bond return is capped at 23%. Capital Returns could be higher if invested without a performance cap or with unlimited investment returns.
<b>Liquidity</b>	Yes
<b>Taxation</b>	Income Tax in the case of Personal and Company Investors Exempt for Pension & Post Retirement Schemes

## 2. Investment Rationale in more detail

### Fixed Annual Return

A Fixed Return of 5% paid out at the end of each year, regardless to investment performance.

This Fixed Annual Return of 5% compares favourably with deposit rates, bond yields, property yields and other fixed income rates. A Fixed Annual return of 5% is an attractive Income source for retired investors and other investors whose primary investment objective is income.

### Medium Risk

The Bond has a medium risk score of SRI 4.

### Equities as a long term investment

Although investing in equities involves a degree of investment risk and there will be volatile periods along the way, in the long term, equities tend to outperform other assets like bonds, property, cash etc. By adopting a medium term approach, equity investors can mitigate the risks and short term volatility associated with stock market investment while benefiting from the long term capital growth potential that stock markets can provide.

Stock Market Indices provide a broad representative portfolio of investments in multiple companies or shares. Indexes are often used as benchmarks to gauge the movement and performance of market segments or geographic regions (the Eurozone in this case). Investors generally use indexes as a basis for diverse or passive investing. The EuroStoxx 50 Index is a Benchmark Index of Euroland shares.

The EuroStoxx 50 Index underlies more than €28 billion in ETF assets and futures and options on the Index are the most actively traded EUR-denominated equity index derivatives on Eurex (data as of December 2023). This Index tracks the Eurozone's 50 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.

**Warning: The 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.**

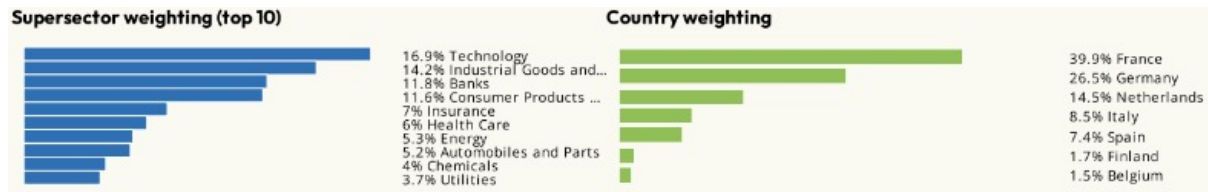
### Index Top 10 Holdings

Company	Supersector	Country	Weight
ASML HLDG	Technology	Netherlands	8.364%
SAP	Technology	Germany	5.841%
LVMH MOET HENNESSY	Consumer Products and Services	France	4.992%
TOTAL ENERGIES	Energy	France	4.289%
SCHNEIDER ELECTRIC	Industrial Goods and Services	France	3.811%
SIEMENS	Industrial Goods and Services	Germany	3.693%
SANOFI	Health Care	France	3.357%
ALLIANZ	Insurance	Germany	3.180%
AIR LIQUIDE	Chemicals	France	2.810%
L'OREAL	Consumer Products and Services	France	2.766%

Source: <https://stoxx.com/index/sx5e/?factsheet=true> (August 2024)

## Index Sector and Country Weighting

The industry sector and country weightings in the Index are as follows:



Source: <https://stoxx.com/index/sx5e/?factsheet=true> (August 2024)

## Index Past Performance

The Index annualised return of the Index over the past 5 years is 7.8%.

Annualised Return (%)		
1Y	3Y	5Y
15.6	5.8	7.8

Source: <https://stoxx.com/index/sx5e/?factsheet=true> (August 2024)

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

## Product Back Testing

We conducted back testing of this Bond between September 2004 and September 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 - 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: 4 Years			
Example Investment: EUR 10,000.00			
Scenarios		If you exit after 1 Year	If you exit after 4 years (Recommended holding period)
Minimum	EUR 2,000. The return is only guaranteed if you hold the product to maturity. You could lose some or all of your investment.		
Stress	What you might get back after costs Average return each year	EUR 5,676 -43.1%	EUR 4,976 -16.0%
Unfavourable	What you might get back after costs Average return each year	EUR 8,255 -17.4%	EUR 7,230 -7.8%
Moderate	What you might get back after costs Average return each year	EUR 9,696 -3.0%	EUR 12,000 -4.7%
Favourable	What you might get back after costs Average return each year	EUR 10,271 2.7%	EUR 12,000 4.7%

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.

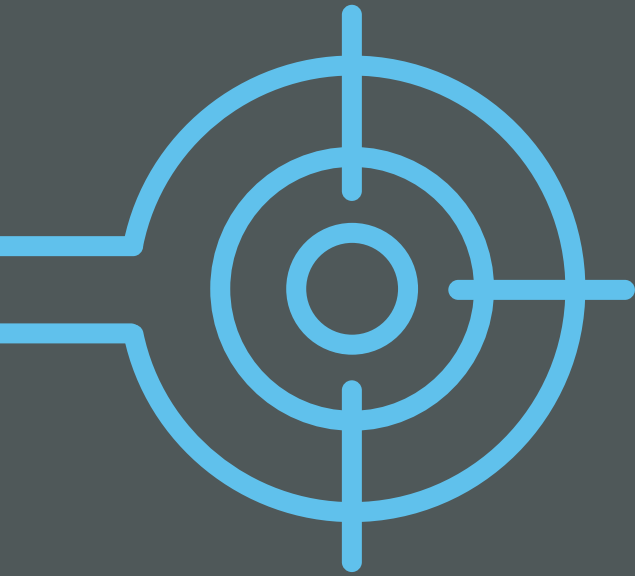
**Warning: Performance Scenarios are not a reliable guide to future performance.**

### 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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