

100% Capital Secure Multi Asset Diversified Bond

Investment Rationale

1. Key Investment Risk & Return Considerations

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

Feature	Description
Investment Theme	Multi Asset Diversified Portfolio BNP Paribas Multi Asset Diversified 5 Index Low Risk – Risk Control Mechanism
Rationale for Theme	Portfolio Diversification: equities, bonds, commodities and cash Systematically Managing Investment Volatility and Risk
Return Potential	180% Participation in any growth in the Index at Maturity
Investment Risk Level	Low
SRI	2
Hard Capital Protection	100%
Investment Term	5 Years (Medium)
Unique Features	Diversified Underlying Investment Strategy actively allocating to 4 asset classes and with a 9 year track record. High Fixed Participation Rate: 180%
Product Compromises	Opportunity Cost: Investment Returns could be higher if no Capital Protection feature applied. 5 Year Term: Bond is designed to be held for the full 5 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 can be summarised as follows:-

- 1. Capital Protection:**
100% Capital Protection at Maturity.
- 2. Investment in the BNP Paribas Multi Asset Diversified 5 Index:**
Investors will receive 180% Participation in any growth in the Index at the Final Valuation Date.

BNP Paribas Multi Asset Diversified 5 Index

The BNP Paribas Multi Asset Diversified 5 Index is a rules-based index sponsored by BNP Paribas comprised of eight components – three equity futures indices, three bond futures indices and two commodity indices (the “Hypothetical Portfolio”). The Index seeks to measure the value of a hypothetical exposure to a range of asset classes and geographic regions based on momentum investing principles.

On a daily basis, the Index determines weights of its components, using a rules-based methodology which seeks to identify weights for the components that would have resulted in the hypothetical portfolio with the highest return subject to a certain level of volatility. On any given day, this methodology will allocate a greater percentage of the Index towards components of the Hypothetical Portfolio that would have resulted in the Hypothetical Portfolio with the highest past returns subject to a certain level of volatility and weighting constraints.

The Index also includes an additional risk control mechanism which seeks to maintain its short-term volatility at the volatility target of 5% on a daily basis. This mechanism adds a further layer of volatility control to the value of the hypothetical portfolio with the goal of reducing volatility during unstable and unpredictable market periods.

The Index is calculated net of rebalancing and replication fees and incorporates a daily Maintenance Fee of 0.50% per annum.

Broker Solutions has been creating Investment Solutions linked to the Index since 2017.

Index Fact Sheet: <https://madindex.bnpparibas.com/Home/DownloadFile?filename=Factsheet>

Index Brochure: <https://madindex.bnpparibas.com/Home/DownloadFile?filename=Brochure>

Index Video: <https://madindex.bnpparibas.com/#video>

Index Infographic: <https://madindex.bnpparibas.com/#infographic-tabs>

Warning: The Index is an Excess Return Index. The Index does not derive returns based on interest earned on cash or other collateral deposited in connection with the purchase of futures contracts. Dividends or income distributed by the Index constituents will not be re-invested in the Index nor distributed to investors.

Index Components

BNP Paribas MAD 5 Index Components		
Equity Futures Indices	BNP Paribas US Equity Futures Index	BNPIFUS Index
	BNP Paribas Eurozone Equity Futures Index	BNPIFEU Index
	BNP Paribas Japan Equity Futures Index	BNPIFJP Index
Bond Futures Indices	BNP Paribas USD 10Y Futures Index	BNPIFU10 Index
	BNP Paribas EUR 10Y Futures Index	BNPIFE10 Index
	BNP Paribas JPY 10Y Futures Index	BNPIFJ10 Index
Commodity Indices	Bloomberg Commodity ex-Agriculture and Livestock Capped Index	BBUXALC Index
	S&P GSCI Gold Index Excess Return	SPGSGCP Index

Definitions

A **Rules-Based Index** is an index where the weightings of the components are determined following a preset algorithmic set of rules and proprietary formulas.

A **Futures** contract is an agreement, to make and receive a cash payment based on changes in the price of a particular commodity or financial instrument at a pre-determined date in the future. The indices compiling the BNPP MAD 5 Index are **Index Futures**, which track the performance of certain futures contracts.

The **Hypothetical Portfolio** of the BNPP MAD 5 Index represents

the basket of the index's eight (8) components, whose individual weighting is dynamically adjusted on a daily basis according to the BNPP MAD 5 Index methodology. There is no actual portfolio of assets to which any person makes any investment or has any ownership interest.

Volatility is the amount of price variation in an asset or security. High volatility means the price moves up and down in wide ranges over a period of time. Low volatility means that the price does not change as dramatically, but rather changes at a more gradual pace.

Liquidity describes the degree to which an asset or security can be quickly bought or sold in the market without affecting the asset's price.

The **Realized Volatility** of a financial instrument describes its historical volatility over a given time period.

A **Momentum-Based Investment Strategy** seeks to capitalize on positive market price trends based on the supposition that positive market price trends may continue.

How the Index is Calculated

1. Diversification

The Index attempts to measure the hypothetical exposure to a range of asset classes and geographic regions by drawing on the performance of eight index components, which have been selected based on the following principles:

Diversity in geographic zones covered

The components that form the BNPP MAD 5 Index are representative of three different geographic zones (U.S., Europe and Japan).

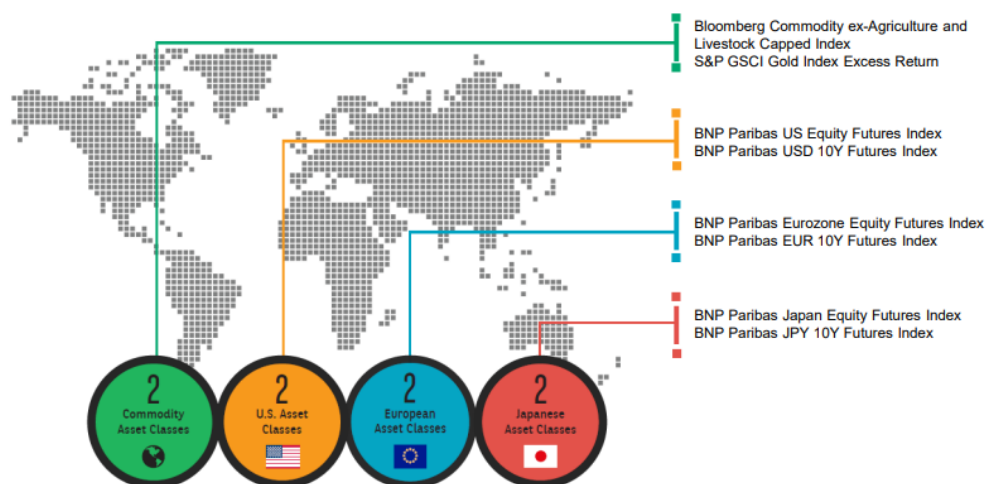
Use of market benchmarks

The components that form the BNPP MAD 5 Index are futures-based indices tracking the performance of futures contracts referencing market benchmarks where such futures contracts are typically highly **liquid** and representative of market movement.

Components representing multiple asset classes

The components represent a range of generally non-correlated assets including equities, commodities and government bond futures which are sub-components of the components that comprise the Index.

A Diversified Index based on 8 Index Components



2. Dynamic Allocation

On a daily basis, the Index dynamically rebalances the weightings of its components according to a proprietary rules-based methodology which seeks to identify weights for the components that would have resulted in the Hypothetical Portfolio with the highest past returns subject to a certain level of volatility and weighting constraints. This can be explained in three steps:

Step 1

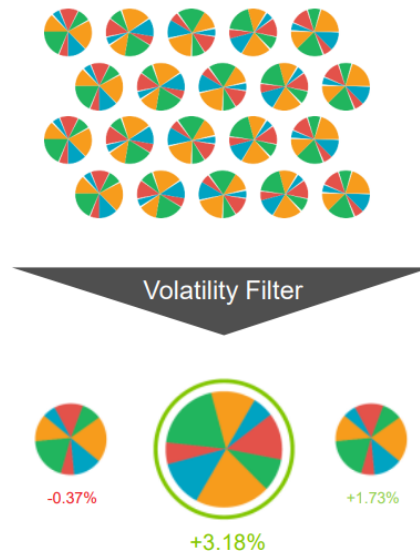
The BNPP MAD 5 Index begins by creating a universe of potential Hypothetical Portfolios where the components are differently weighted across the board and under weight constraints².

Step 2

The BNPP MAD 5 Index then tests the different portfolio combinations in the universe, considering only those that have demonstrated long term realized volatility below a certain level.

Step 3

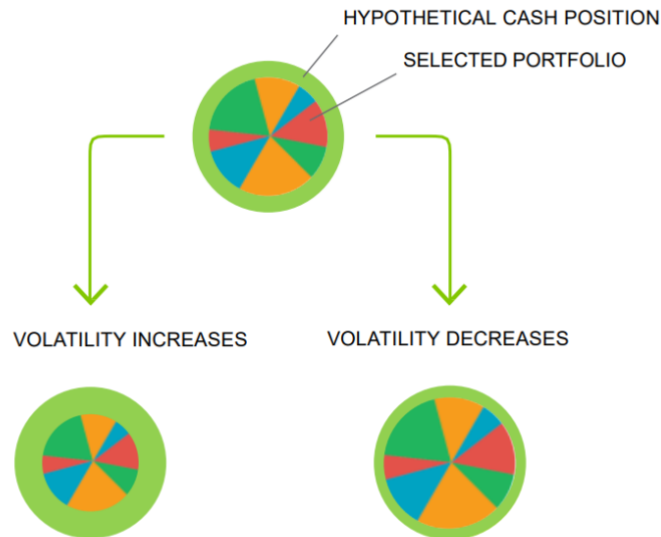
Out of the remaining portfolios after step 2, the final Hypothetical Portfolio is chosen based on the BNPP MAD 5 Index rules and a proprietary methodology which takes into account momentum - investing principles that allocate more to recent outperformers and less to recent underperformers.



For Illustrative Purposes Only

3. Volatility Control

On a daily basis, the Hypothetical Portfolio of the Index targets an annualised realised volatility of 5% utilising a set of rules that seeks to manage the hypothetical portfolio's short term volatility on a daily basis in changing market conditions. This mechanism complements the control over long-term volatility which is part of the Index's dynamic allocation methodology. (See Step 2 under "Dynamic Allocation"). The Realised Volatility of the daily hypothetical portfolio is the highest trailing 21 day historic volatility calculated over a sliding 20 day period. If the realised volatility exceeds the 5% target volatility rate on any day, the Index will reduce the weight of the hypothetical selected portfolio and rebalance it with a non-remunerable hypothetical cash position. Based on the realised volatility, the Index may be partially or wholly uninvested, and will not earn interest or any other return with respect to that cash position.

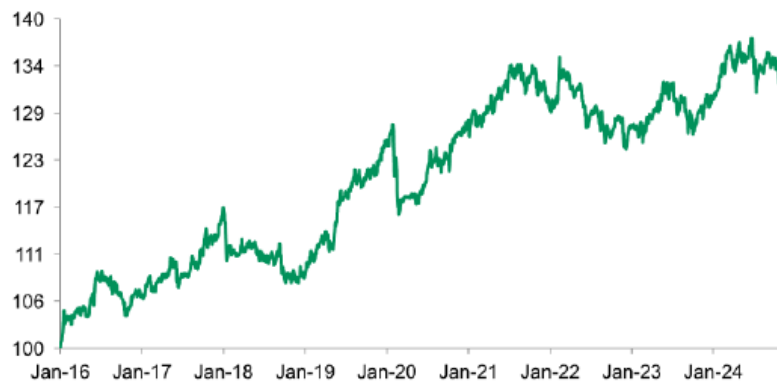


For Illustrative Purposes Only

Source: <https://madindex.bnpparibas.com/>

Past Performance

The Index has been calculated since 25 January 2016 and the chart below described its performance since its inception:



The table below described the monthly and yearly performance of the Index since its inception in January 2016:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	0.57%	1.90%	2.09%	-1.67%	0.74%	0.30%	-0.14%	-0.91%	1.29%	-1.19%	-0.26%	-1.54%	1.09%
2023	2.27%	-0.59%	0.94%	0.59%	0.56%	2.29%	0.26%	-1.39%	-1.94%	-1.21%	2.27%	0.68%	4.73%
2022	-2.08%	0.80%	2.39%	-1.21%	-0.24%	-2.33%	0.42%	-0.74%	-2.22%	1.02%	1.15%	-2.79%	-5.82%
2021	-0.91%	1.13%	0.31%	1.17%	0.98%	0.76%	2.12%	-0.10%	-1.27%	0.52%	-1.61%	0.85%	3.96%
2020	1.48%	-3.06%	-2.54%	0.53%	0.29%	0.53%	2.52%	0.68%	-0.60%	-0.76%	3.44%	0.92%	3.28%
2019	1.58%	0.33%	1.71%	1.35%	-1.42%	4.75%	0.63%	1.84%	-0.33%	1.07%	0.21%	0.70%	13.00%
2018	1.27%	-2.82%	-0.34%	0.55%	0.02%	-0.21%	-0.86%	0.59%	0.26%	-3.02%	0.74%	-0.53%	-4.36%
2017	-0.69%	2.31%	-0.51%	0.86%	0.84%	-1.42%	0.47%	1.36%	-0.41%	2.67%	0.66%	0.26%	6.48%
2016	0.01%	3.07%	0.48%	0.25%	-0.60%	3.84%	1.24%	-1.56%	0.18%	-1.80%	-0.96%	1.79%	6.72%

The Index has generated an annualised return of 3.11% with annualised volatility of 4.94% since it was first calculated in January 2016 as described in the table below:

Jan 16 - Dec 24	Multi Asset Diversified 5
Annualised Performance	3.11%
Annualised Volatility	4.94%
Sharpe Ratio	0.63
Max Drawdown	-8.64%

Source (BNP Paribas 25 January 2016 to 31 December 2024)

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

3. Investment Return Scenarios

The Bond return is calculated on the Final Valuation Date at the end of the term. Investors will receive 180% Participation in any positive performance of the Index on the Final Valuation Date.

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

Investment Return Environment	Index Return at Maturity	Participation	Product Return (%)	Product Return (€)
Negative	-25%	N/A	100% Capital Protection	100,000.00
Neutral	+10%	180%	+18%	118,000.00
Positive	+30%	180%	+54%	154,000.00

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

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

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

4. Summary Risk Indicator

The Summary Risk Indicator (SRI) is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because BNP Paribas is not able to pay the Investor. The risk indicator assumes the product is held until maturity.

We have classified this product as a 2 out of 7 which is a low-risk class.



5. 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.

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