

6.5% 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
Investment Theme	Guaranteed Income each year regardless to investment performance Stockmarket Index: EuroStoxx Banks Index (SX7E Index)
Rationale for Theme	<p>The EuroStoxx Banks Index in an Index of the 50 largest bank stocks in the Eurozone</p> <p>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 (Eurozone banks in this case) or geographic regions. Investors generally use indexes as a basis for diverse or passive investing.</p>
Fixed Annual Return	6.5% paid out at the end of each year Not dependent on investment performance
Investment Risk Level	Medium
SRI	4
Capital Protection	<p>None This Bond is Full Capital at Risk</p> <p>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</p>
Investment Term	4 Years (Medium)
Unique Features	<p>Fixed Annual Return of 6.5% paid out at the end of each year regardless to investment performance</p> <p>Total Fixed Return: 26%</p>
Product Compromises	<p>No Capital Protection: Investors can lose some or all of the amount invested</p> <p>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. Returns are capped at 6.5% per year and Bond return is capped at 26%. Capital Returns could be higher if invested without a performance cap or with unlimited investment returns.</p>
Liquidity	Yes
Taxation	Income Tax in the case of Personal and Company Investors Exempt for Pension & Post Retirement Schemes

2. Investment Rationale in more detail

High Fixed Annual Return

A Fixed Return of 6.5% paid out at the end of each year, regardless to investment performance.

This Fixed Annual Return of 6.5% compares favourably with other sources of income including deposit rates, bond yields, property yields and other fixed income rates.

A Fixed Annual return of 6.5% is an attractive Income source for retired investors and other investors whose primary investment objective is income.

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 (Eurozone banks in this case) or geographic regions. Investors generally use indexes as a basis for diverse or passive investing. The EuroStoxx Banks Index is an Index of Eurozone bank shares.

EuroStoxx Banks Index

The EuroStoxx Banks Index is an Index of the 50 largest bank stocks in the Eurozone.

The Stoxx Supersector Indices track supersectors of the relevant benchmark index. There are 20 supersectors according to the Industry Classification Benchmark (ICB) and companies are categorised according to their primary source of revenue. One of the supersectors identified by Stoxx is Banks.

Source: <https://stoxx.com/index/sx7e/> (April 2025)

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

The top 10 holdings in the Index are as follows:

Company	Supersector	Country	Weight
BCO SANTANDER	Banks	Spain	11.974%
UNICREDIT	Banks	Italy	10.149%
BNP PARIBAS	Banks	France	10.138%
BCO BILBAO VIZCAYA ARGENTARIA	Banks	Spain	8.885%
INTESA SANPAOLO	Banks	Italy	8.751%
ING GRP	Banks	Netherlands	6.845%
DEUTSCHE BANK	Banks	Germany	5.723%
NORDEA BANK	Banks	Finland	5.161%
GRP SOCIETE GENERALE	Banks	France	4.665%
CAIXABANK	Banks	Spain	3.134%

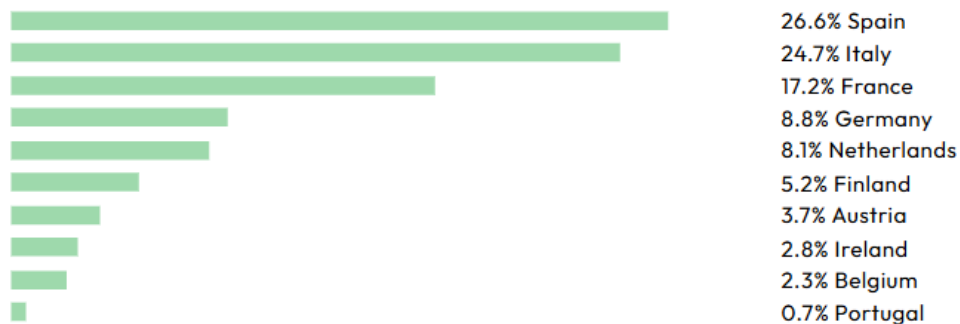
³Net dividend yield is calculated as net return index return minus price index return

⁴Based on the composition as of April 30, 2025

Source: <https://stoxx.com/index/sx7e/?factsheet=true> (April 2025)

Country Weighting

The country weightings in the Index are as follows:



Source: <https://stoxx.com/index/sx7e/?factsheet=true> (April 2025)

Index Past Performance

The Index has had an annualised return of 27.7% over the last 5 years. This table outlines the Index's annualised returns over the last 1, 3 and 5 years:

Annualized return (%)		
1Y	3Y	5Y
31.1	29.3	27.7

Source: <https://stoxx.com/index/sx7e/?factsheet=true> (April 2025)

Index Past Performance Chart

This chart illustrates the performance of the Index over the past 5 years:



Source: <https://stoxx.com/index/sx7e/?factsheet=true> (25 May 2020 to 23 May 2025)

Warning: Past Performance is 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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