

100% Capital Secure Swiss Market Jump Coupon 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	Swiss Equities Benchmark Index
Rationale for Theme	Investing in Swiss Equities By adopting a medium term approach, investors can mitigate the risks and short term volatility associated with equity or stock market investment while benefiting from the long term capital growth potential that equity markets can provide
Return Potential	Negative: 0% Positive: 16.3% Investors will receive a return of 16.3% if the Index is at or above its initial level on the Final Valuation Date Maximum Return: 16.3%
Investment Risk Level	Low
SRI	2
Hard Capital Protection	100%
Investment Term	4 Years (Medium)
Unique Features	Jump Coupon Feature: Investors will receive a return of 16.3% if the Index is at or above its initial level on the Final Valuation Date
Product Compromises	Opportunity Cost: Investment Returns could be higher if no Capital Protection feature applied Investment Returns could be higher if the underlying Index achieves returns in excess of 16.3% 4 Year Term: Bond is designed to be held for the full 4 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. Potential Return:**
Investors will receive a Return of 16.3% if the Index is at or above its Initial Level at Maturity. It will be 16.3% plus the return of the Index if the Index is at or above its initial level at the end of a subsequent year.
- 3. Investing in equities as a Long Term Investment** and investing in the **SMI Index**.

Equities as a Long Term Investment

Although investing in equities (shares) 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. Investors generally use Indexes as a basis for diverse or passive investing. The EuroStoxx 50 Index is a benchmark Index of Eurozone shares.

The SMI Index

The Swiss Market Index measures the development of the Swiss Blue Chip equity market. The 20 largest and most liquid equity instruments traded at SIX are selected as components. The index composition is fixed to 20 shares which are weighted by their freefloat market capitalisation and a capping is applied at 18% for single components. On June 30, 1988, the index was standardised at 1500 points. As of today the index represents more than 77% of the freefloat market capitalization of the entire Swiss equity market.

Source: <https://www.six-group.com/en/market-data/indices/switzerland/equity/smi.html>

Index Fact Sheet: <https://indexdata.six-group.com/152929e7-32d9-4dc1-a82e-299f9103f841> (30 January 2026)

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.
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Index Top 10 Holdings

	Mcap (Mio CHF) ³	Weight
ROCHE GS	246,388.74	18.19%
NOVARTIS N	225,080.14	16.62%
NESTLE N	189,193.86	13.97%
UBS GROUP N	106,521.74	7.86%
ABB LTD N	105,226.95	7.77%
RICHEMONT N	80,395.40	5.94%
ZURICH INSURANCE N	80,349.31	5.93%
HOLCIM N	42,135.93	3.11%
SWISS RE N	36,882.13	2.72%
LONZA N	36,870.24	2.72%
Total	1,149,044.44	84.84%

Source: <https://indexdata.six-group.com/152929e7-32d9-4dc1-a82e-299f9103f841> (30 January 2026)

Index Past Performance

The Index has had an annualised return of 5.04% over the last 3 years. This table outlines the Index's annualised returns in 2026 to date and over the last 3 months, 1, 3, 7 and 15 years:

	YTD	3 Mths	1 Yr	3 Yrs	7 Yrs	15 Yrs
Return						
SMI	-0.60%	7.14%	4.63%	5.04%	5.67%	4.80%

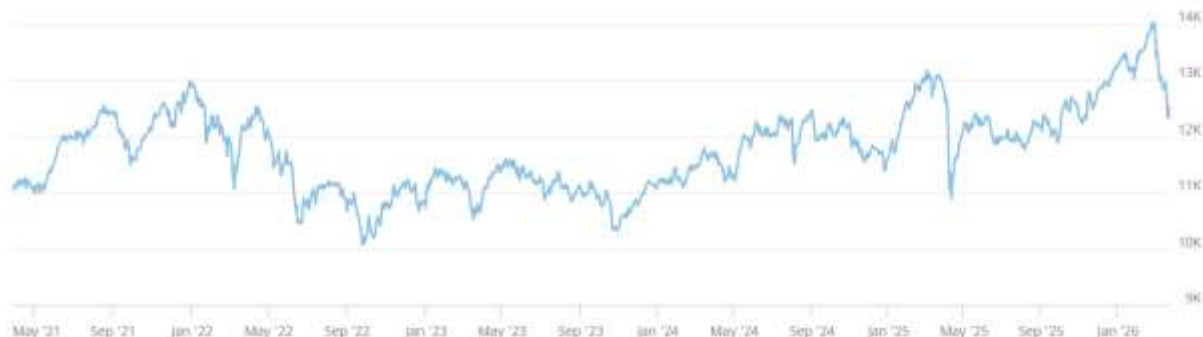
This table illustrates the Index's annual return each year since 2019:

Year	SMI
YTD	-0.60%
2025	14.37%
2024	4.16%
2023	3.81%
2022	-16.67%
2021	20.29%
2020	0.82%
2019	25.95%

Source: <https://indexdata.six-group.com/152929e7-32d9-4dc1-a82e-299f9103f841> (30 January 2026)

Index Past Performance Chart

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



Source: <https://www.six-group.com/en/market-data/indices/switzerland/equity/smi.html> (26 March 2021 to 24 March 2026)

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

3. Investment Return Scenarios

Investors will receive a return of 16.3% if the Index is at or above its initial level at 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:

Description	Example 1 Index Negative Return - 30%	Example 2 Index Negative Return -20%	Example 3 Index Negative Return -5%	Example 4 Index Neutral/ No Return	Example 5 Index Positive Return 5%	Example 6 Index Positive Return 10%	Example 7 Index Positive Return 20%	Example 8 Index Positive Return 30%
Initial Amount Invested (€)	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Return from Underlying Index (%)	-30%	-20%	-5%	0%	5%	10%	20%	30%
Projected Investment Return (%)	N/A	N/A	N/A	+16.3%	+16.3%	+16.3%	+16.3%	+16.3%
Projected Gross Investment Return (€)	0	0	0	16,300	16,300	16,300	16,300	16,300
Projected Amount returned to Investors Before Tax (€)	100,000	100,000	100,000	116,300	116,300	116,300	116,300	116,300

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

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

4. Warnings

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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 4 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.