

Kick Out Bond 12

BOND OBJECTIVES

Potential for Capital Growth



Soft Capital Protection



Investment in stocks with the potential to benefit from rising Inflation



Access to Capital during the Term



Summary Risk Indicator: 6



INVESTMENT IN INFLATION STOCKS:

- **BHP Billiton**
- **Nordea Bank**
- **Renault**

POTENTIAL FOR MATURITY AFTER **1 YEAR**



POTENTIAL RETURN IF UNDERLYING INVESTMENTS **RISE OR FALL**

POTENTIAL ANNUAL RETURN **12.8%**



CLOSING DATE: 17 DECEMBER 2018

INDICATIVE KEY FEATURES:

Underlying Investments: 3 stocks with the potential to benefit from rising Inflation: BHP Billiton, Nordea Bank and Renault

Term: 5 years

Potential Return: 12.8% after 12 months.

If all 3 stocks are **above 80% of their initial level** i.e. all 3 stocks have risen or fallen in value by less than 20%, investors will receive back their initial capital and a return of 12.8%. If not, but all 3 stocks are above 80% of their initial level after 18 months, investors will receive back their initial capital and a return of 19.2%. This process continues every 6 months (with the return increasing by 6.4%) until all 3 stocks are above 80% of their initial level or until the Final Valuation Date.

Soft Capital Protection: Investors will receive back their initial capital if any of the 3 stocks are above their initial level at maturity. If all 3 stocks are below their initial level and if any stock has fallen by -50% or more at maturity, investors receive the performance of the worst performing stock, no matter how much it has fallen.

Soft Capital Protection Provider: BNP Paribas

Maximum Return: 64%

Minimum Amount: €25,000

Summary Risk Indicator: 6

Closing Date: 17 December 2018

Liquidity: Daily, via stock market listing

Taxation: Capital Gains Tax (CGT) for Personal Investors
Exempt for Pension & Post Retirement Investors

INVESTMENT RATIONALE:

The following factors may put upward pressure on inflation in the US and globally:

- Increased wage pressures in Europe and in the US, with unemployment rates at economic cycle lows
- Oil price upward trend, resulting in higher retail gasoline prices
- US health care cost back on the rise, with reduced pressure on drug prices and slow-down of insurance coverage from the Trump administration.
- China export prices rising, a consequence of higher salary demands and rising raw material prices. A big shift from previous regime of China-exported deflation

The 3 inflation stocks therefore have the potential for returns greater than -20% threshold to Kick Out after 12 months or every 6 months thereafter.

SUMMARY RISK INDICATOR:

We have classified this product as 6 out of 7:



AVAILABILITY:

Personal Investors:

Via a Merrion Stockbrokers Limited Account

Pension & Post Retirement Investors:

Friends First Self Directed Plans
Self Administered Schemes

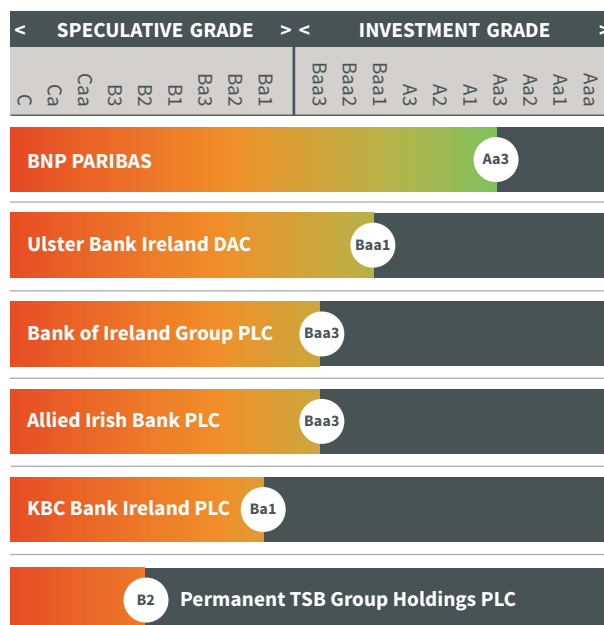
Companies & Trusts etc.:

Via a Merrion Stockbrokers Limited Account

TARGET MARKET:

		YES (Y) / NO(N)	
Investor Type	Retail	Y	
	Professional	N	
	Eligible Counterparty	N	
Knowledge & Experience	Basic Investor	N	
	Informed Investor	Y	
	Advanced Investor	Y	
Risk Tolerance	Summary Risk Indicator	6	
Ability to bear losses	No Capital Loss	N	
	Limited Capital Loss	N	
	Capital at Risk	Y	
Investor Objectives	Return Profile	Capital Protection	N
		Capital Growth	Y
		Income	N
		Other	N/A
Time Horizon	Recommended Holding Period	5 YEARS	
	Investment Term	MEDIUM	
	Mandatory Early Maturity Feature	Y	
Distribution Strategy	Execution Only	N	
	Investment Advice	Y	
	Discretionary Managed Portfolio	Y	

MOODY'S CREDIT RATINGS:



Source: Bloomberg (25 October 2018)

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.

