BCP

50 Years of Risk Managed Investment Solutions

BCP

Specialists in Low Risk Investment Solutions

Company Background

Over 30 staff located in Dublin

Firm dates back to 1969

First structured product issued in 1992

Currently managing over €3bn in assets

Independently owned Firm

Over 1,000 intermediaries nationwide with BCP agencies

Investors include Individuals, Corporates, Charities & Pension/ARF

Leading provider of structured products to Irish intermediaries

BCP Enhanced Multi-Manager Bond 3

BCP Enhanced Multi-Manager Bond 3

Important:

The information contained in these slides outlines how the Bond works and is complementary to the product Brochure and Key Information Document (KID), **which must be provided to potential investors.**

It is important that all key information, including risks detailed in the brochure, is brought to the attention of clients, potential clients and intermediaries as part of the sales process.

Please ensure you refer to the Brochure and KID for full details.

Bond Summary

- **Target Market** – Individuals, SDIO Pensions, Charities, Corporates, ARF, PRB, SSAP and PRSA investors, who receive investment advice. Clients who are seeking positive long-term capital growth, who also require a level of hard capital security.

- **Aim of the Bond –** Provide low to medium risk investors with a 90% or 100% capital secure investment tracking the performance of a dynamically managed multi-manager, multi-asset Index that is broadly diversified, with high levels of capital protection and performance participation.

- **Issuer** – BNP Paribas Issuance B.V. and guaranteed by BNP Paribas

- **Instrument** – Listed Certificate, MiFID complex product

- **Risk Category** – appropriate for **Low Risk investors, SRI 2 out of 7**

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Bond Summary

- **Underlying Asset** – Dynamic Allocation Fund Stars Index VC 4

- All returns generated by the Bond are added to the capital invested not the capital protected amount. There is no limit to the maximum return
- that can be earned from the Bond.

- **Two versions –** Protected Version which provides 100% capital security at maturity and Growth Plus Version which provides 90% capital security at maturity. Each version also has a different participation rate:

90% Capital Security – Growth Plus Version	300% Participation in any positive performance of the Index with 90% Capital Security at maturity
100% Capital Security – Protected Version	200% Participation in any positive performance of the Index with 100% Capital Security at maturity

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Bond Summary

- **Term – 4 years**

- **Minimum investment amount** – €20,000 with increments of €1,000. A reduced minimum of €10,000 will apply where applications are completed in full in vespro.bcp.ie

Tax – all returns are paid gross of tax.

- The current Irish legislation does not allow for a clear categorisation of how these products should be treated for tax purposes.

- Based on independent taxation advice received it is our understanding that the Growth Plus Version should be subject to Capital Gains Tax (where applicable) and the Protected Version should be subject to Income Tax (where applicable).

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Bond Summary

- **Daily liquidity, in normal market and funding conditions.** Capital security does not apply and subject to an administration charge
- **Closing date** – 9th December 2022
- **Initial valuation date** – 15th December 2022
- **Start date** – 22nd December 2022
- **Averaging dates** – 15th June 2026 to 15th December 2026
- 0.50% adjustment factor is deducted from the performance of the Index by BNP Paribas. This deduction will act as a drag on the performance of the Index.

Fees and Charges

	Custodian Fee	Intermediary Fee	BCP Fee
Growth Plus Version	0.12%	2.25%*	2.33%
Protected Version	0.12%	2.25%*	2.44%

100% of the investment is allocated to the Bond and any returns generated are based on 100% of the invested capital. There are no annual management fees.

A Performance Fee of 1% will be paid to BCP if the gross return of the Bond at maturity is 18% or above (i.e. the gross realisable value is 118% of the capital invested). This Performance Fee is paid by BNP Paribas to BCP and does not impact the gross return paid to investors. Any Performance Fee applies at maturity and is in addition to the initial fees described above.

Key Differences versus previous version

Category	BCP Enhanced Multi-Manager Bond 3	BCP Enhanced Multi-Manager Bond 2
Participation - Growth Plus	300%	250%
Participation - Protected	200%	150%
Term	4 Years	5 Years
Intermediary Fee	2.25%	2.00%
BCP Fee - Growth Plus	2.33%	2.10%
BCP Fee - Protected	2.44%	2.00%

Liquidity

Daily liquidity, in normal market and funding conditions. There is no guarantee liquidity will be available at the time a client may wish to encash.

BNP Paribas may be the only market maker in the Certificates which may affect liquidity. Investors will, in normal market and funding conditions be able to sell the Certificates at any time during the term. The price at which the Certificates can be sold will be the open market value determined by BNP Paribas which will take fees and charges into account and can be lower than the initial amount invested or the capital protected amount. BNP may apply a charge which is equivalent to a deduction from the realised market value of no greater than 0.50%.

Deductions for fees and charges are not made uniformly throughout the life of the Bond, but are loaded onto the early period. If a client withdraws from the Bond in the early period this will impact on the value received. A 0.5% administration charge (subject to €100 minimum) payable to BCP will apply to the full realised market value of an early withdrawal outside of a kick-out or maturity date.

Inside the Positive Target Market

Clients who have read the brochure and understand how this investment works

Clients who have a minimum amount of €20,000 to invest (Minimum of €10,000 where investments are completed via Vespro)

Clients who understand that they can withdraw their investment anytime during the term in normal market and funding conditions, but if they withdraw early, the encashment amount may be more or less than the capital secure amount

Clients who intend to invest for the full 4 year term

Clients who believe the Index will perform positively and want to benefit from the performance of the Index

Clients who have an investment objective for this Bond as capital growth and you do not require income

Clients who have some knowledge of, and experience in, investments which allows them to understand the risks associated with this investment

Inside the Positive Target Market

BCP considers knowledge of and experience in any of the following (either directly or indirectly) to be relevant knowledge and experience:

- Managed Funds - Multi Asset Funds with minimum ESMA 1 risk rating for Protected and minimum ESMA 3 risk rating for Growth Plus
- Equity Funds
- Listed Company Shares and unlisted Company Shares
- Derivatives
- Government Bond Funds **for Protected**
- Corporate Bond Funds
- Term Deposits **for Protected**
- Hard Capital Secure Deposits/Notes/Certificates
- Soft Capital Secure Notes/Certificates
- Debt Securities/Notes **for Protected**
- Direct Property/Property Funds which employ gearing.
- Direct Property/Property Funds (ungeared) **for Protected**

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Inside the Positive Target Market

Clients who understand that for the Growth Plus Version if the Index falls by between 0% and 10% at maturity they will lose 1% for every 1% fall in the Index up to a maximum loss of 10%

Clients who understand that there will be no positive return if the investment return at maturity is negative for the Protected Version

Clients who understand that if BNP Paribas were to default they will lose some or all of their investment and potential return

Clients who understand and accept the risks associated with this investment including counterparty risk

Inside the Negative Target Market

Negative Target Market

Clients who do not understand how this investment works

For the Growth Plus Version – Clients who are not willing to risk any of their capital and want full capital preservation

Clients who have not read the warnings and risk disclosures in the brochure

Clients who do not have sufficient knowledge of or experience in investments to understand the risks associated with this investment

Clients who cannot commit to the full 4 year Term

Clients who require a regular income from the investment

Clients who are not willing to accept the risks associated with the investment

Clients who are not prepared to accept BNP Paribas credit risk

Clients who require a guaranteed return from the investment

Financial Advice

All clients must be provided with Financial Advice prior to applying to invest in the product:

- Clients must complete a Fact Find
- The adviser must issue a Suitability letter

BCP will complete an Appropriateness Assessment for all applications submitted via Intermediaries. BCP will assess the client's knowledge and experience in order to determine if the client can understand the risks associated with the investment.

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Knowledge and Experience

Clients must have Knowledge of and Experience in any of the following (either directly or indirectly):

- ✓ Managed Funds - Multi Asset Funds with minimum ESMA 1 risk rating for Protected and minimum ESMA 3 risk rating for Growth Plus
- ✓ Equity Funds
- ✓ Listed Company Shares and unlisted Company Shares
- ✓ Derivatives
- ✓ Government Bond Funds **for Protected**
- ✓ Corporate Bond Funds
- ✓ Term Deposits **for Protected**
- ✓ Hard Capital Secure Deposits/Notes/Certificates
- ✓ Soft Capital Secure Notes/Certificates
- ✓ Debt Securities/Notes **for Protected**
- ✓ Direct Property/Property Funds which employ gearing.
- ✓ Direct Property/Property Funds (ungeared) **for Protected**

Knowledge and Experience

Educational background

Periodically cases may be received where a client may have little or no investment experience but has a relevant qualification which in BCP's view would allow the client to understand the risks associated with the investment, for example a young professional making their first investment. BCP believe that based on the clients education/qualifications they are able to understand the risks associated with the investment and on this basis the investment is appropriate.

Considering the risks associated with the bond (10% of capital is at risk for Growth Plus Version), the Firm considers that clients with a relevant financial services qualification or a Third level degree in Business/Economics or other similar fields may be considered as having sufficient knowledge to invest in this product even where they have no/insufficient investment experience.

Such cases must be signed off by a member of the Investment Committee.

Financial Situation and ability to bear losses

Financial situation with a focus on the ability to bear losses:

Clients looking for a Global equity Index with high levels of capital security and performance participation. Clients must be willing to lose 10% (Growth Plus Version) of their investment.

Advisers must be comfortable that the client will potentially have no access to their money for 4 years and be comfortable that this portion of their portfolio cannot be relied upon to provide:

(i) immediate access in the case of emergency and

(ii) capital security only applies at maturity.

The investment should not be considered as appropriate for the clients 'emergency fund'.

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Recommended restriction on % of portfolio

Recommended restriction on % of portfolio to be invested:

The specific allocation will need to be determined based on each individual investor's specific requirements and portfolio.

Advisers should consider that this is a Low Risk product, has a 4 year term, with 100% or 90% hard capital protection at maturity. Depending on the risk profile and specific circumstances for each client, the % allocation of a client's portfolio will differ from client to client.

Advisers should consider the suitability to each individual client based on their specific requirements for return.

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Key Risks

Risk of Capital loss – If you invest in this Bond at maturity you can lose up to 10% (Growth Version) of the money you invest.

Counterparty/Credit risk – Capital is exposed to the credit risk of BNP Paribas as the guarantor of the Certificate. If BNP Paribas Issuance B.V. and BNP Paribas default on its senior debt obligations clients may suffer partial or full capital loss and potential return.

Inflation Risk – Any inflation during the term of the Bond will reduce the real value of the investment over time.

Concentration Risk – The investment in the Bond should only be considered as part of a client's overall investment portfolio. Clients should not put all, nor a large part, of their money available for investment into any one product, or with any one counterparty.

Averaging Risk – averaging may restrict growth in a rising market.

Key Risks

Market Risk – External factors could affect national economies, regions or an asset class and cause a fall in value of the equity markets and could influence the returns payable under the Bond.

Liquidity Risk –BNP Paribas aims to provide a secondary market for the Bond during the investment term. However, certain exceptional market circumstances may have a negative impact on the liquidity of the Bond and result in the partial or total loss of your initial capital invested. Extreme adverse conditions may even render the Bond entirely illiquid, which may make it impossible to sell the Bond before the Final Maturity Date. It is envisaged that investors will hold the Bond for the full 5 year term and all investors should consider the term before investing.

Early Redemption Risk – If the Bond is sold before the Final Maturity Date then the value of the Bond may be less than the original investment amount and the investor may lose some or all of the invested amount.

Key Risks

Lack of Compensation Scheme Protection – the investment is not covered by any investor compensation schemes in the event of a default of BNP Paribas Issuance B.V. and BNP Paribas.

Taxation Risk – Current Irish taxation legislation does not allow for a clear categorisation of the product as being subject to Capital Gains Tax for Growth Plus Version and subject to Income Tax for Protected Version. There is a risk an alternative taxation basis may apply.

Volatility Control Mechanism Risk – the Index contains a volatility/risk control feature that is designed to keep the overall Index volatility close to 4%. In the event of a sudden and significant market decline, itself followed by a sharp increase, the Volatility Risk Control adjustment mechanism may result in temporary underexposure and therefore a period of under performance. When the market is stable or rising, followed by a sudden and sharp decline, the Volatility Risk Control adjustment mechanism can result in temporary overexposure leading to a period of under performance.

Key Risks

Leverage Risk – the Index includes embedded leverage, which amplifies the variation, upwards or downwards, in the value of the underlying instrument(s), which may negatively impact on the performance of the Index.

Adjustment Factor – a 0.50% adjustment factor is deducted from the performance of the Index by BNP Paribas. This deduction will act as a drag on the performance of the Index.

Restructuring Risk - There is a risk that the Index is discontinued during the term of the investment. In this scenario the Issuer will replace the Index with an alternative Index. If there is no alternative Index available the Issuer may repay your investment before the maturity date for an amount that may be more or less than the initial amount invested. If there is a change in law or the Issuer's authorisation whereby the Issuer can no longer maintain the Certificate, the Issuer may repay your investment before the maturity date for an amount that may be more or less than the initial amount invested.

BNP Paribas

BNP Paribas Issuance B.V. acts as Issuer and BNP Paribas acts as Guarantor. Investors are exposed to the credit worthiness of BNP Paribas.

BNP Paribas is a French credit institution (bank) authorised and supervised by the European Central Bank ('ECB') and the Autorité de Contrôle Prudentiel et de Résolution (ACPR) (the French Prudential Control and Resolution Authority) and regulated by the Autorité des marchés financiers (the French financial markets regulator) (AMF).

CREDIT RATING	FITCH	MOODY'S	S&P
BNP Paribas	AA -	Aa3	A+
Outlook	Stable	Stable	Stable

Source: Bloomberg as at November 2022

Calculation of Index Performance

The return on the Bond at maturity will depend on the Performance of the Index and will only be determined at the end of the term.

Client money is not invested in the shares of the companies that make up the Funds within the Index and, therefore, the investment does not benefit from any dividends distributed by these companies.

Averaging:

In order to protect the Performance of the Index from volatility towards the end of the term, the Final Price will reflect the average price of the Index on a monthly basis over the final 6 months of the 4 year Term.

The effect of averaging is to protect returns in a falling market but conversely it may restrict growth in a rising market.

Performance

Growth Plus Version:

- At the end of the 4 year term, if the Performance of the Index is positive the Bond will pay 100% of the original investment plus 300% of the Performance achieved by the Index over the investment term. For example if the Performance of the Index is 15% over the term of the Bond, the return to investors will be 100% of the capital invested plus 45% (15% x 300%) giving a Gross Return of 45%.

- Where the Index performance is negative at the end of the 4 year investment term, there will be a 1% loss of capital for every 1% fall in the Index subject to a maximum loss of 10%.

- There is no limit to the maximum return that can be earned from this Bond.

Performance

Protected Version:

- At the end of the 4 year Term, the Bond will pay 100% of the capital invested plus 200% of the Performance achieved by the Index over the investment term. For example if the Performance of the Index is 15% over the term of the Bond, the return to investors will be 100% of the capital invested plus 30% (15% x 200%) giving a Gross Return of 30%.

- Where the Index performance is negative at the end of the 4 year investment term, 100% of the capital invested will be returned.

- There is no limit to the maximum return that can be earned from this Bond.

Examples of potential return scenarios

Growth Plus Version

AMOUNT INVESTED	INDEX PERFORMANCE	BOND PARTICIPATION RATE	TOTAL PERFORMANCE	TOTAL BOND PERFORMANCE	% BOND RETURN
€100,000	-30%	300%	0.00%	€90,000	-10.00%
€100,000	-10%	300%	0.00%	€90,000	-10.00%
€100,000	-5%	300%	0.00%	€95,000	-5.00%
€100,000	0%	300%	0.00%	€100,000	0.00%
€100,000	5%	300%	15.00%	€115,000	15.00%
€100,000	10%	300%	30.00%	€130,000	30.00%
€100,000	20%	300%	60.00%	€160,000	60.00%
€100,000	25%	300%	75.00%	€175,000	75.00%
€100,000	30%	300%	90.00%	€190,000	90.00%

Warning: The figures above are provided only to demonstrate how the Bond works; they should not be taken as an indication of expected returns. The return will depend on the actual performance of the Index which cannot be predicted in advance.

Examples of potential return scenarios

Protected Version

AMOUNT INVESTED	INDEX PERFORMANCE	BOND PARTICIPATION RATE	TOTAL PERFORMANCE	TOTAL BOND PERFORMANCE	% BOND RETURN
€100,000	-30%	200%	0.00%	€100,000	0.00%
€100,000	-10%	200%	0.00%	€100,000	0.00%
€100,000	-5%	200%	0.00%	€100,000	0.00%
€100,000	0%	200%	0.00%	€100,000	0.00%
€100,000	5%	200%	10.00%	€110,000	10.00%
€100,000	10%	200%	20.00%	€120,000	20.00%
€100,000	20%	200%	40.00%	€140,000	40.00%
€100,000	25%	200%	50.00%	€150,000	50.00%
€100,000	30%	200%	60.00%	€160,000	60.00%

Warning: The figures above are provided only to demonstrate how the Bond works; they should not be taken as an indication of expected returns. The return will depend on the actual performance of the Index which cannot be predicted in advance.

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About the Index

The Dynamic Allocation Fund Stars Index VC 4 is a dynamically managed multi-manager, multi-asset Index.

- The universe of funds the Index can select from is comprised of 8 leading investment funds (4 Traditional and 4 Alternative funds)
- The 8 funds have been selected based on their performance track record, size and the investment experience of the fund managers
- Every month the Index will select 4 funds from the universe with the highest risk adjusted returns (i.e. the highest Sharpe Ratio)
- The Index will look back over the last 6 months performance of each fund, divided by the 6 months volatility and pick the funds with the highest risk adjusted performance
- Each selected fund receives an equal weight of 25% in the Index until the next monthly rebalancing
- The overall Index volatility is constantly managed to keep it close to the target volatility level of 4%, thereby aiming to generate more stable performance

About the Index

	FUND NAME	STRATEGY	TOTAL ASSETS	LAUNCH DATE	RECENT 3YR PERFORMANCE
TRADITIONAL FUNDS	Schroder Global Inflation Linked Bond Fund	Aims to generate growth and income via global inflation-linked debt	€1.11bn	December 2003	-2.04%
	THEAM Quant Equity Europe Income Defensive Fund	A high dividend European equity strategy with a complementary option overlay	€107.96m	January 2018	-1.72%
	Amundi Emerging Markets Bond Fund	Invests mainly in corporate bonds issued from emerging markets in an active and dynamic manner	€3.36bn	June 2019	-2.23%
	Schroder Global High Yield Fund	A flexible global fixed income strategy investing in below investment grade bonds	€1.65bn	April 2004	-2.89%
ALTERNATIVE FUNDS	Deutsche Concept Kaldermorgen Fund	Flexible total return strategy investing in equities, bonds and cash	€13.48bn	May 2011	2.83%
	Merian Global Equity Absolute Return Fund	Absolute return global equity strategy aiming for low correlation to markets	€1.32bn	November 2011	1.37%
	Henderson Pan European Alpha Fund	A long short equity strategy investing in large and mid-cap European equities	€371.63m	December 2006	3.94%
	Blackrock Fixed Income Strategies Fund	Total return strategy investing in global fixed income assets	€4.11bn	September 2009	-0.20%

Source: Bloomberg and BNP Paribas. Data from September 2019 to September 2022.

WARNING: Past performance is not a reliable guide to future performance.

Sharpe Ratio

The Index selects the 4 funds with the highest Sharpe ratio at each monthly rebalancing.

The Sharpe ratio is a measure of the risk adjusted returns of a fund, or simply how much return was made in relation to the amount of risk taken by the fund. Many factors can potentially be used to determine which funds are selected but based on the testing carried out by BNP Paribas, the Sharpe ratio has proven to be a consistently efficient methodology.

The chart on the next slide illustrates the performance of the Index compared to an equal-weight approach whereby each of the 8 funds in the universe is given an equal weight at each rebalancing date.

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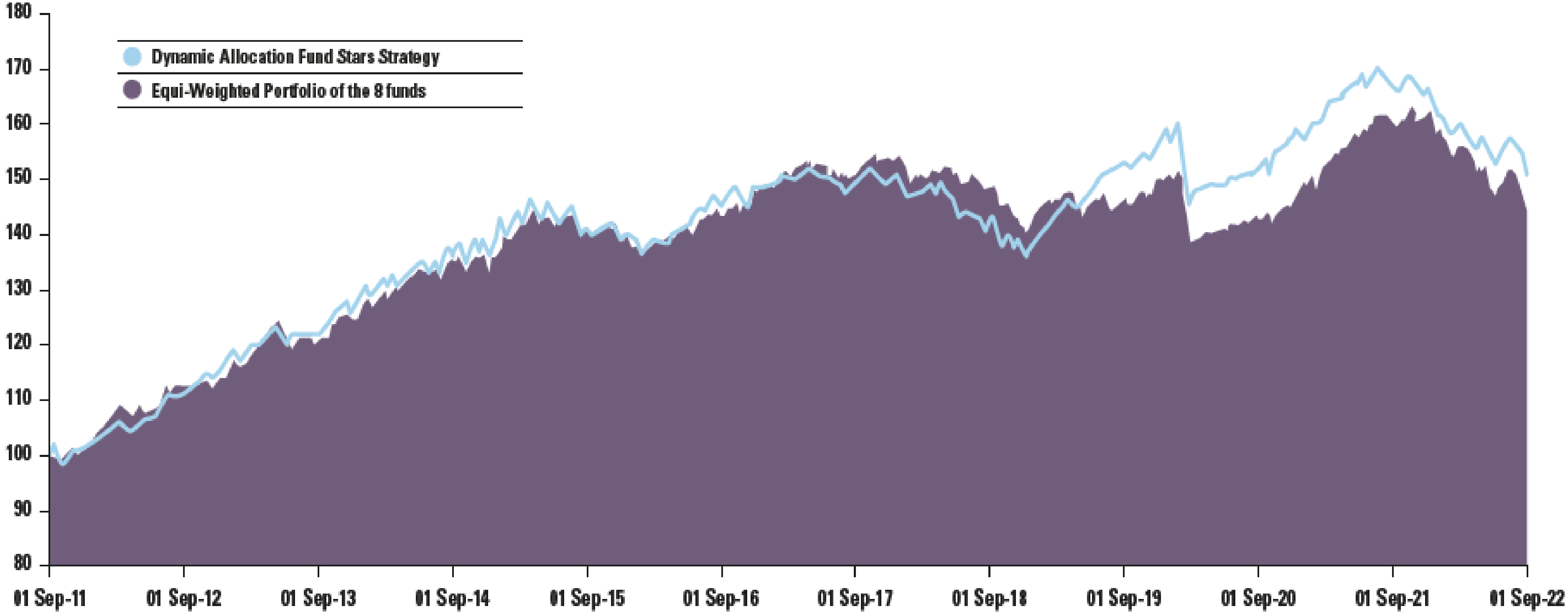
Sharpe Ratio

COMPARISON BETWEEN SHARPE RATIO BASED METHOD AND EQUAL WEIGHTING STRATEGY



Source: BNP Paribas. Performance from 1st September 2011 to 30th September 2022.

Warning: Actual and simulated past performance is not a reliable guide to future performance.

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Complex features

BCP considers the following elements to be complex features of the product:

- Volatility Control Mechanism
- Leverage (based on the Volatility Control Mechanism)

The following slides will explain each of these in detail.

Volatility/Risk Control Mechanism

The Index contains a volatility/risk control feature that is designed to keep the overall Index volatility close to 4%. In periods of low volatility (below 4%) the mechanism will increase Index exposure to the 4 selected funds, up to a maximum of 150% exposure. In periods of higher volatility (above 4%) the mechanism will reduce the exposure to the 4 selected funds, and replace the exposure with a cash allocation.

The volatility control feature described above is contained within the Index itself and is separate to the participation levels offered by the product.

In the event of a sudden and significant market decline, itself followed by a sharp increase, the Volatility Risk Control adjustment mechanism may result in temporary underexposure and therefore a period of underperformance. When the market is stable or rising, followed by a sudden and sharp decline, the Volatility Risk Control adjustment mechanism can result in temporary overexposure leading to a period of underperformance.

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Volatility/Risk Control Mechanism

The formula to determine the level of exposure to the Index is to divide the target volatility of 4% by the actual level of volatility, up to a maximum of 150% exposure. Every day the volatility level of the last 20 business days and of the last 60 business days is checked and the highest of the two is recorded.

See worked examples below:

LEVEL OF VOLATILITY	FORMULA	INDEX EXPOSURE
2.5%	4% Target Volatility / 2.5% Actual Volatility	Capped at 150%
4%	4% Target Volatility / 4% Actual Volatility	100%
8%	4% Target Volatility / 8% Actual Volatility	50%

Leverage

Exposure to the 4 selected funds can be between 0% and a maximum of 150%. Where the exposure to the 4 selected funds is more than 100% (subject to a maximum of 150%) this is known as Leverage.

The exposure of the Index to the Portfolio of Stocks is calculated as follows:

4% / Actual Volatility

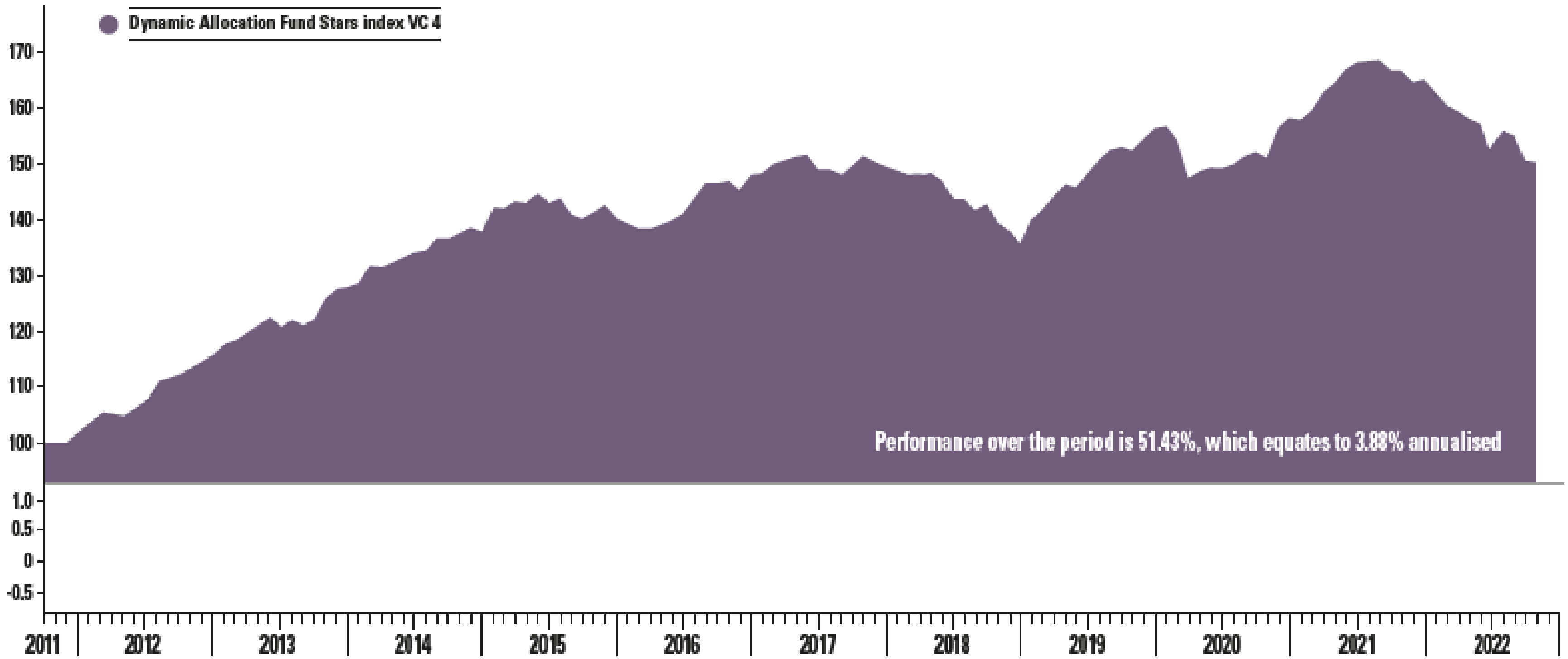
This embedded leverage, which amplifies the variation, upwards or downwards, in the value of the underlying instrument(s), may negatively impact on the performance of the Index.

Actual and simulated past performance

The underlying Index was officially launched on 5th April 2017 so performance analysis is a combination of a period of actual past performance and a period of simulated past performance generated by replicating the exact rules of the Index back to 30th September 2011.

Performance over the period from 30th September 2011 to 25th October 2022 has shown strong overall growth across multiple economic cycles. The volatility control mechanism has protected the Index in downturns but means the strong growth periods conversely are not picked up as well. The best example of this is from the start of 2020 to end March 2021 where the very strong rebound in equities from the bottom of the COVID 19 crisis has not been experienced by this Index, however, this is an abnormal period. In more normalised conditions, which we are basing our view on the Index, the performance should be more in line with the historical track record pre COVID 19.

Actual and simulated past performance



Source: Bloomberg as of 25th October 2022. Performance is quoted cumulatively, net of fees and gross of tax. The Dynamic Allocation Fund Stars Index VC 4 was launched on 5th April 2017 so performance prior to this date is simulated.

Warning: Actual and simulated past performance is not a reliable guide to future performance.

Important Regulatory Information

BCP Enhanced Multi-Manager Bond 3

Warning: If you invest in this product, at maturity you could lose up to 10% (Growth Plus Version) of the money you invest. Warning: If you encash before 22nd December 2026, capital security will not apply to the portion of your investment being encashed. The encashment amount may be more or less than the capital secure amount and you may lose some or all of the money you invest. Liquidity is only available in normal market and funding conditions. Warning: The value of your investment may go down as well as up, you may get back less than you invest (Growth Plus Version). Warning: The return on your investment in this product may be affected by changes in currency exchange rates. Warning: If BNP Paribas were to default, you will lose some or all of your investment and potential returns. Warning: Current Irish taxation legislation does not allow for a clear categorisation of this product. There is a risk an alternative taxation basis may apply. Warning: actual and simulated past performance is not a reliable guide to future performance.

Please refer to the Brochure and KIDs for full details