

# BCP

Invest with confidence



## BCP Enhanced Multi-Manager Bond 3

*This is marketing material*

*A capital secure bond that provides exposure to a dynamic index comprised of a universe of 8 actively managed investment funds diversified across asset classes and regions with 100% or 90% capital protection at maturity*

## OVERVIEW

- Access 4 Best Performing Funds with high levels of participation and capital security at maturity
- Growth Plus Version: 90% Capital Security at maturity and 300% Participation in any positive Index performance
- Protected Version: 100% Capital Security at maturity and 200% Participation in any positive Index performance
- Underlying Index is the Dynamic Allocation Fund Stars Index VC 4
  - 4 best performing funds are selected from a universe of 8 leading funds
  - Index is dynamically rebalanced on a monthly basis
- Capital Security of 90% (Growth Plus Version) and 100% (Protected Version) provided at maturity by BNP Paribas Issuance B.V. and guaranteed by BNP Paribas.  
Credit Ratings: AA- (Fitch), Aa3 (Moody's) and A+ (S&P)
- Investment term 4 years (Daily liquidity available in normal market and funding conditions. Capital security does not apply and subject to an administration charge)
- The Sustainable Finance Disclosure Regulations (SFDR) do not apply, however, if they did this product's Classification would be Article 6 'like' (i.e. the product does not promote ESG compatible characteristics)
- Minimum Investment €20,000 (Increments of €1,000)
- Reduced minimum investment of €10,000 where the investment is completed in full through [vespro.bcp.ie](https://vespro.bcp.ie)
- Available to Personal, Pension, ARF, PRB, PRSA, SSAP, Charity, Religious Order and Corporate Investors
- Closing Date 9th December 2022

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# BCP ENHANCED MULTI-MANAGER BOND 3

## SUMMARY

<b>Name of Product</b>	BCP Enhanced Multi-Manager Bond 3 ("the Bond")
<b>Target Market</b>	Individuals, Pensions, Charities, Corporates, ARF, PRB, SSAP and PRSA investors, who receive investment advice. Investors will be treated as retail clients as categorised within the meaning of MiFID.
<b>Aim of the Bond</b>	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.
<b>Underlying Asset</b>	Dynamic Allocation Fund Stars Index VC 4
<b>Investor Choice</b>	
<b>90% Capital Security – Growth Plus Version</b>	300% Participation in any positive performance of the Index with 90% Capital Security at maturity
<b>100% Capital Security – Protected Version</b>	200% Participation in any positive performance of the Index with 100% Capital Security at maturity
<b>Provider of Capital Security at Maturity</b>	BNP Paribas Issuance B.V. and guaranteed by BNP Paribas
<b>Issuer</b>	BNP Paribas Issuance B.V. (100% owned subsidiary of BNP Paribas)
<b>Custodian</b>	European Depositary Bank SA, Dublin Branch
<b>Investment Term</b>	4 years
<b>Classification</b>	A listed Certificate (Senior unsecured debt). A MiFID complex product
<b>Listing</b>	Luxembourg Stock Exchange
<b>Key Risks</b>	See pages 4 and 5.
<b>Summary Risk Indicator (SRI)</b>	2 out of 7, which is a low risk class. See page 6 for further details.
<b>Liquidity</b>	Daily liquidity in normal market and funding conditions (administration charge will also apply)
<b>Minimum Investment</b>	€20,000 (Only increments of €1,000 are accepted). A reduced minimum of €10,000 will apply where applications are completed in full in vespro.bcp.ie
<b>Risk Category</b>	BCP classifies investors into 4 broad categories depending on their approach to risk and rewards; Conservative, Cautious, Balanced and Growth. The Growth Plus Version is considered appropriate for Cautious investors and the Protected Version is considered appropriate for Conservative investors.
<b>Tax Treatment</b>	All investment returns will be paid gross of tax, please refer to page 20 for more details.

**Warning: If you invest in this product, at maturity you could lose up to 10% (Growth Plus Version) of the money you invest. Warning: The value of your investment may go down as well as up (Growth Plus Version). 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: 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.**

## WHAT ARE THE RISKS INVOLVED IN THE BOND?

### RISK OF CAPITAL LOSS

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

### COUNTERPARTY/ CREDIT RISK

Your capital is exposed to the credit risk of BNP Paribas as the guarantor of the Certificate. If BNP Paribas defaults on its senior debt obligations you may suffer partial or full capital loss and potential return.

Your investment in the Certificate ('the instrument'/'the security') with BNP Paribas ('the institution') is subject to the Bank Recovery and Resolution Directive. Below we provide some information on the potential treatment of investments in resolution or insolvency.

- the instrument is unsecured and therefore subject to the resolution regime or normal insolvency if the institution fails;
- the impact of the institution's failure on investors depends crucially on the ranking of the liability in the insolvency creditor hierarchy (which may have changed because of the introduction of depositor preference), on the amount of losses incurred and on the resolution strategy applied;
- in the event of resolution:
  - the outstanding amount may be reduced to zero or the security may be converted into ordinary shares or other instruments of ownership for the purpose of stabilisation and loss absorption;
  - a transfer of assets to a bridge bank or in a sale of business may limit the capacity of the institution to meet repayment obligations, or may result in partial losses or no losses if the relevant liabilities are also transferred;
  - the maturity of instruments or the interest rate under these instruments can be altered and the payments may be suspended for a certain period;
- the liquidity of the secondary market in any unsecured debt instruments may be sensitive to events in financial markets;
- existing liquidity arrangements (for example repurchase agreements by the issuing institution) might not protect clients from having to sell these instruments at a substantial discount below their principal amount, in the event of financial distress of the issuing institution;
- liability holders have a right to compensation if the treatment they receive in resolution is less favourable than the treatment they would have received under normal insolvency proceedings (as a consequence of the application of the 'no creditor worse off' principle). This assessment must be based on an independent valuation of the institution. Compensation payments, if any, may be considerably later than contractual payment dates (in the same way there may be a delay in recovering value in the event of an insolvency), although resolution, in principle, preserve value compared with insolvency.

### INFLATION RISK

Any inflation during the term of the Bond will reduce the real value of your investment over time.

### CONCENTRATION RISK

Your investment in the Bond should only be considered as part of your overall investment portfolio. You should not put all, nor a large part, of the money you have available for investment into any one product, or with any one counterparty.

### MARKET RISK

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

### LIQUIDITY RISK

This product entails a materially relevant liquidity risk. Certain exceptional market and funding circumstances may have a negative effect on the liquidity of the product. The investor may not be able to sell the product easily or may have to sell it at a price that significantly impacts how much he/she gets back, this may entail a partial or total loss of the invested amount.

<b>SECONDARY MARKET RISKS</b>	BNP Paribas intends, under normal market and funding conditions, to provide bid and offer prices for this Bond on a regular basis. Certain exceptional market circumstances may have a negative effect on the liquidity of the product. The investor may not be able to sell the product easily or may have to sell it at a price that significantly impacts how much he gets back. This may entail a partial or total loss of the invested amount. The Certificates may redeem below par and the redemption amount may vary considerably due to market conditions and will likely be valued at a considerable discount to its par value. BNP Paribas may apply a charge which is equivalent to a deduction from the realised market value of no greater than 0.5%.
<b>EARLY REDEMPTION RISK</b>	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.
<b>LACK OF COMPENSATION SCHEME PROTECTION</b>	Your investment is not covered by any investor compensation schemes in the event of a default of BNP Paribas Issuance B.V. and BNP Paribas.
<b>TAXATION RISK</b>	Current Irish taxation legislation does not allow for a clear categorisation of this product being subject to Capital Gains Tax (CGT) for the Growth Plus Version and Income Tax for the Protected Version. There is a risk an alternative taxation basis may apply.
<b>ADJUSTMENT FACTOR RISK</b>	A 0.50% per annum adjustment factor is deducted from the performance of the Index by BNP Paribas. The adjustment factor is a fixed fee paid to the Bank which removes dividend hedging risk for the Bank and improves the pricing efficiency on the structure for investors i.e. improves the economics of the trade. This deduction will act as a drag on the performance of the Index.
<b>VOLATILITY RISK CONTROL MECHANISM RISK</b>	In the event of a sudden and significant market decline, 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.
<b>LEVERAGE RISK</b>	The Dynamic Allocation Fund Stars Index VC 4 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.
<b>AVERAGING RISK</b>	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.
<b>RESTRUCTURING RISK</b>	There is a risk that the Dynamic Allocation Fund Stars Index VC 4 Index (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. There may also be a scenario whereby there is a change in law or the Issuer's authorisation whereby the Issuer can no longer maintain the Certificate. Should this occur the Issuer may repay your investment before the maturity date for an amount that may be more or less than the initial amount invested.

Before making any investment in this product Investors should refer to the prospectus and final terms associated with it; these are available on request. It is recommended that investors read carefully the "risk factors" section of the prospectus.

**Warning: If you invest in this product, at maturity you could lose up to 10% (Growth Plus Version) of the money you invest. Warning: The value of your investment may go down as well as up (Growth Plus Version). Warning: If you cash in your investment before 22nd December 2026 you may lose some or all of the money you invest.**

# ANALYSING THE RISK OF THE INVESTMENT

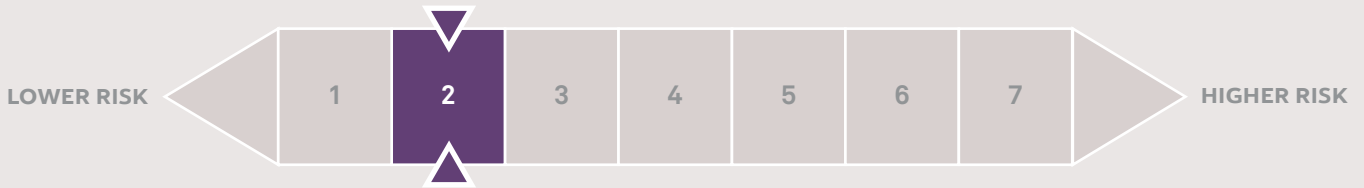
As per the Key Information Document (KID) that accompanies this Bond brochure, and can be found on the bcp.ie website, a standardised risk analysis (called a Summary Risk Indicator or SRI) has been developed by the European regulatory authorities to allow investors compare and contrast, amongst other features, the risk of an investment according to pre-defined criteria and

with a standardised calculation format. The 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 are unable to repay the capital protected amount plus any return.

## RISK ANALYSIS

The BCP Enhanced Multi-Manager Bond 3 is classified as 2 out of 7, which is a low risk class. This rates the potential losses from future performance at a low level, and poor market conditions are unlikely to impact BNP Paribas Issuance B.V. and BNP Paribas' capacity to pay you. You are entitled to receive back at least 90% (Growth Plus Version) or

100% (Protected Version) of your capital at maturity. Any amount over this, and any additional return, depends on future market performance and is uncertain. However, this protection against future market performance will not apply if you redeem your investment before the maturity date.



**PLEASE NOTE, if BNP Paribas Issuance B.V. and BNP Paribas are unable to repay what is owed, you could lose your entire investment. The risk indicator assumes you keep the product until maturity. The actual risk can vary significantly if you redeem your investment (in exceptional circumstances) at an early stage and you may get back less than you invested.**

## TARGET MARKET ASSESSMENT / IS THIS BOND RIGHT FOR YOU?

When designing an investment product BCP spend a considerable amount of time ensuring the product features closely match the investment requirements of the target market we are distributing to. Below we have provided a simple checklist of product features that we encourage all investors

to review, alongside their financial advisor, in order to ensure the product accurately meets an individual's demands and that the product is appropriate for their specific investment needs. The below checklist should be reviewed in conjunction with the entirety of the product brochure.

### INSIDE THE TARGET MARKET

- You have read the brochure and you understand how this investment works
- You have a minimum amount of €20,000 to invest (Minimum of €10,000 where investments are completed fully online)
- You understand that you can withdraw your investment anytime during the term in normal market and funding conditions, but if you withdraw early, the encashment amount may be more or less than the capital secure amount
- You intend to invest for the full 4 year investment term
- You believe the Index will perform positively and you want to benefit from the performance of the Index
- You have some knowledge of, and experience in, investments which allows you to understand the risks associated with this investment
- 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 Version and minimum ESMA 3 risk rating for Growth Plus Version
  - Equity Funds
  - Listed Company Shares
  - Unlisted Company Shares
  - Derivatives
- Government Bond Funds for Protected
- Corporate Bond Funds
- Term Deposits for the Protected Version
- Hard Capital Secure Deposits/ Notes/Certificates
- Soft Capital Secure Notes/ Certificates
- Debt Securities/Notes for the Protected Version
- Direct Property/Property Funds which employ gearing.
- Direct Property/Property Funds (ungeared) for the Protected Version
- Your investment objective for this Bond is capital growth and you do not require income
- You understand that for the Growth Plus Version if the Index falls by between 0% and 10% at maturity you will lose 1% for every 1% fall in the Index up to a maximum loss of 10%
- You understand that there will be no positive return if the investment return at maturity is negative for the Protected Version
- You understand that if BNP Paribas were to default you will lose some or all of your investment and potential return
- You understand and accept the risks associated with this investment including counterparty risk

### OUTSIDE THE TARGET MARKET

- You do not understand how this investment works
- For Growth Plus Version - You are not willing to risk any of your capital
- You have not read the warnings and risk disclosures in this brochure
- You do not have sufficient knowledge of or experience in investments to understand the risks associated with this investment
- You cannot commit to the full 4 year Term
- You require a regular income on your investment
- You are not willing to accept the risks associated with this investment
- You are not prepared to accept BNP Paribas Issuance B.V. and BNP Paribas credit risk
- You require a guaranteed return on your investment

## ANALYSING THE 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
- The result is a dynamically managed Index with a diversified universe of funds that will allocate to the best performing funds, while taking into account their risk profile

	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.**

## ADJUSTMENT FACTOR

A 0.50% per annum adjustment factor is deducted from the performance of the Index by BNP Paribas. The adjustment factor is a fixed fee paid to the Bank which removes dividend hedging risk for the Bank and improves the pricing efficiency on the structure for investors i.e. improves the economics of the trade. This deduction will act as a drag on the performance of the Index.

**WARNING: The 0.50% per annum adjustment factor deduction will act as a drag on the performance of the Index.**



## HISTORICAL ALLOCATIONS IN THE INDEX

- Historically the Index has averaged a balanced allocation to the 4 Traditional funds and the 4 Alternative funds
- Traditional funds tend to get higher allocations during bull markets
- Alternative funds tend to get higher allocations when traditional funds struggle
- Both investment styles have contributed positively to historic and simulated Index performance

	FUNDS COMPRISING THE INDEX	SIMULATED PAST PERFORMANCE (1 Sept 2011 to 30 Sept 2022)	CONTRIBUTION TO THE INDEX PERFORMANCE	AVERAGE HISTORIC WEIGHT IN THE INDEX
TRADITIONAL FUNDS	Schroder ISF - Global Inflation Linked Bond Fund	14.88%	8.91%	13.74%
	THEAM Quant - Equity Europe Income Defensive Fund	22.41%	-1.70%	8.68%
	Amundi Funds - Emerging Markets Bond Fund	74.44%	7.16%	13.80%
	Schroder ISF - Global High Yield Fund	31.14%	13.55%	20.57%
ALTERNATIVE FUNDS	Henderson Horizon - Pan European Alpha Fund	58.38%	3.26%	13.02%
	Blackrock - Fixed Income Strategies Fund	17.28%	13.57%	18.72%
	Merian Global Equity Absolute Return Fund	29.19%	3.89%	12.86%
	Deutsche Concept Kaldermorgen Fund	65.07%	4.69%	15.79%

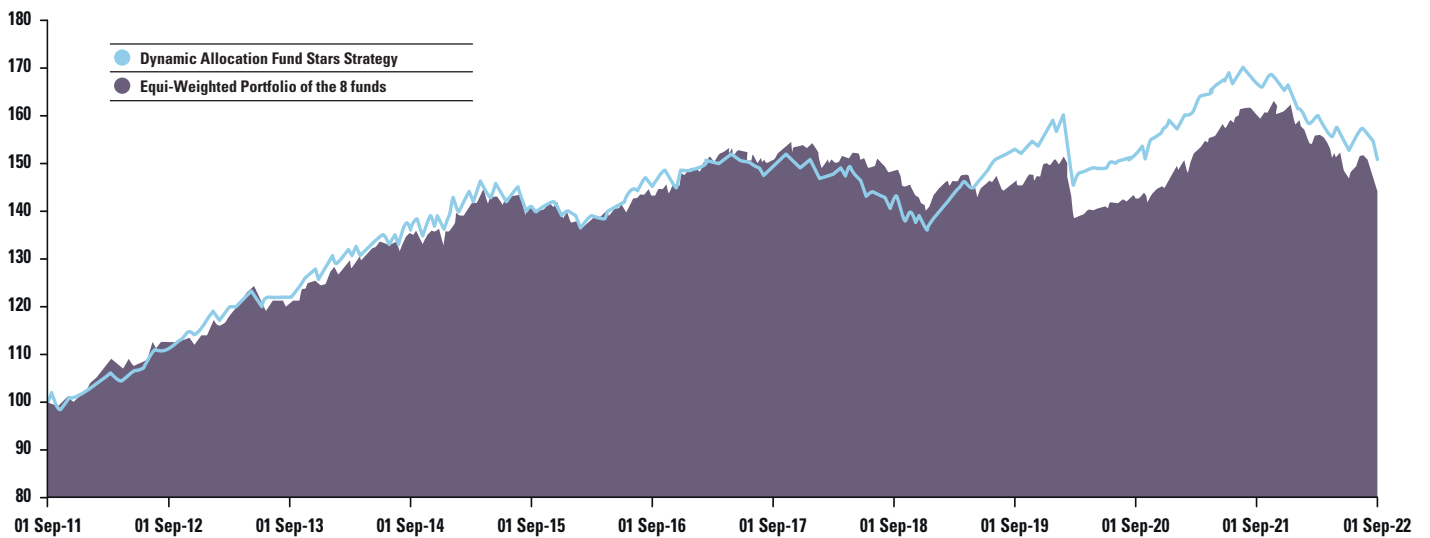
Source: Bloomberg, BNP Paribas. Data since 01 September 2011 to 30 September 2022. Past or simulated performances are not an indication of future performance. Simulations for the THEAM Quant - Equity Europe Factor Defensive from 01 September 2011 to 21 of May 2013. Historical data thereafter. On 21 December 2020 the THEAM Quant - Equity Europe Income Defensive was merged in the THEAM Quant - Equity Europe Factor Defensive. \*\*Simulations for Merian Global Equity Absolute Return Fund from 01 September 2011 to 24 November 2011. Historical data thereafter.

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

## WHY USE 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 below 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.

### COMPARISON BETWEEN SHARPE RATIO BASED METHOD AND EQUAL WEIGHTING STRATEGY



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

	SHARPE RATIO METHOD	EQUAL WEIGHT METHOD
Annualised Performance	3.80%	3.33%
Annualised Volatility	3.83%	3.74%
Sharpe Ratio	0.99	0.89
Max. Drawdown	-10.91%	-15.41%

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.**

## RISK MANAGEMENT

The Index contains a volatility/risk control feature that is designed to keep the overall Index volatility close to 4%. The aim of the volatility control mechanism is to provide a more stable level of return to investors. It acts as a limit to how much risk can be taken by the Index but can also act to limit the amount of performance that can therefore be generated. 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 aim of the volatility control is to protect investors from volatile downward markets when fund performance is falling. However in periods of rapidly increasing markets and high volatility it can potentially result in underperformance as exposure to the fund performance is reduced. 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. The mechanism will dynamically adjust exposure to the 4 selected funds in order to maintain the Index volatility close to the target level of 4%.

The formula to determine the level of exposure to the 4 selected funds is to divide the target volatility of 4% by the actual level of volatility. Exposure is capped at 150% and floored at 0%.

### Volatility Risk Control Mechanism

**Warning: In the event of a sudden and significant market decline, followed by a sharp increase, the Volatility Risk Control adjustment mechanism may result in temporary underexposure and therefore a period of underperformance.**

**Warning: 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.**

## LEVERAGE

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 to the 4 selected funds is calculated as follows:

$4\% / \text{Actual Volatility}$

See 3 worked examples below:

LEVEL OF VOLATILITY	FORMULA	INDEX EXPOSURE
2.5%	$4\% \text{ Target Volatility} / 2.5\% \text{ Actual Volatility}$	Capped at 150%
4%	$4\% \text{ Target Volatility} / 4\% \text{ Actual Volatility}$	100%
8%	$4\% \text{ Target Volatility} / 8\% \text{ Actual Volatility}$	50%

It's important to note that the volatility control feature and leverage described above are contained within the Index itself and are separate to the participation levels being offered by the BCP Enhanced Multi-Manager Bond 3.

**Warning: The Dynamic Allocation Fund Stars Index VC 4 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.**



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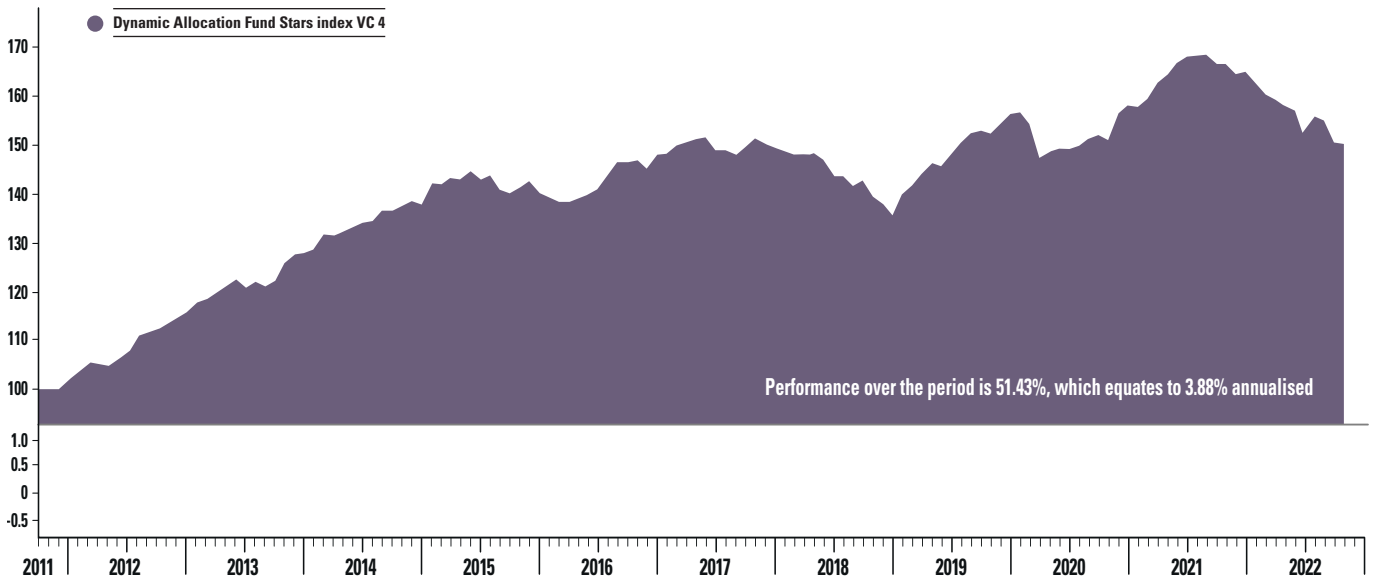
# ACTUAL AND SIMULATED PAST PERFORMANCE OF THE INDEX

The underlying Index was officially launched on 5th April 2017 so the below analysis is a combination of a period of actual past performance and a period of back-tested simulated past performance generated by replicating the exact rules of the Index back to 30th September 2011. The chart below illustrates the performance of the Index from 30th September 2011 to 25th October 2022.

Performance over the period from 30th September 2011 to 25th October 2022 has shown positive 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 is not a reliable guide to future performance. The performance of the Index in the future cannot be predicted in advance. Clients invested in the Growth Plus Version could lose up to 10% of the money they invest.



INDEX	YTD	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Dynamic Allocation Fund Stars Index VC 4	-8.74%	4.71%	1.04%	14.92%	-8.96%	1.01%	5.53%	1.87%	7.82%	10.39%	13.56%

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.**

## EXAMPLES OF POTENTIAL RETURN SCENARIOS FOR INVESTORS

The tables below show examples of potential investment scenarios to assist in explaining how this Bond operates. Capital security is fixed at 90% and 100% so regardless of the Index performance the minimum investment return at maturity will be -10% (Growth Plus Version) and 0% (Protected Version)

resulting in 90% and 100% of capital being returned. In terms of positive Index performance this will be multiplied by the participation rate of 300% (Growth Plus Version) or 200% (Protected Version) and added to the initial amount invested.

### 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%

### 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%

Source: BCP.

**Warning: The figures above are provided only to demonstrate how the Bond works; they should not be taken as an indication of potential returns. The return to you will depend on the actual Performance of the Index which cannot be predicted in advance. Warning: If you invest in this product, at maturity you could lose up to 10% (Growth Plus Version) of the money you invest. Warning: The value of your investment may go down as well as up (Growth Plus Version).**

## SIMULATED PAST PERFORMANCE

In order to demonstrate how the product would have performed in the past a series of tests to determine the simulated past performance of the Dynamic Allocation Fund Stars Index VC 4 (the 'Index') applying the exact parameters of the strategy were carried out. The back testing data starts with a hypothetical product which was assumed to commence on 1st September 2011 and runs continuously to include a hypothetical product which was assumed to commence on 26th October 2018. The back testing analysis assumes that a hypothetical product was launched on each business day (excluding non-pricing days such as bank holidays) between 1st September 2011 to 26th October 2018. The back testing applies the simulated past performance of the Index during this period to the exact parameters of each version of this product to determine the outcome of these hypothetical products. The Dynamic Allocation Fund Stars Index VC 4 was launched on 5th April 2017 so any Index performance before this date is simulated.

The Index tracks the performance of 8 different funds (selecting 4 funds at any one time). The start date for the back test is 1st September 2011 as there is no data for one of the funds (Merian Global Equity Absolute Return Fund) available before this date. The product has an investment term of 4 years and as the back testing data was generated on

27th October 2022, 26th October 2018 is the end date for the simulated back testing as a hypothetical product must run for the full investment term to be included.

The back testing data is not considered to be statistically independent. The back testing is based on simulated historical data points for the Index from 1st September 2011 (which is the earliest point for which data was available for the Index) to 26th October 2018. As markets have generally performed well during this period, the expectation would be for the back testing for this type of product to perform well also.

Simulated past performance is not a reliable guide to future performance. The performance of the Index in the future cannot be predicted in advance.

From 1st September 2011 to 26th October 2018 there are 1,867 hypothetical products to analyse. The hypothetical returns shown below illustrate the historic Index performance multiplied by the 300% (Growth Plus Version) or 200% (Protected Version) participation rate in the Bond and added to the initial amount invested. Where the Index performance is negative clients would have received 100% of the amount invested for the Protected Version and client loss is capped at 10% for the Growth Plus Version.

### 90% Capital Security - Growth Plus Version

<b>Minimum</b>	96.21% (3.79% loss)
<b>Maximum</b>	234.34% (134.34% gain)
<b>Average</b>	142.83% (42.83% gain)
<b>Recent 4 Year</b>	135.38% (35.38% gain)

- Clients would have received a positive return 93.52% of the time.
- Clients would have lost money 6.48% of the time. Where clients lost money the maximum loss would have been 3.79% i.e. clients would have received back 96.21% of amount invested.

### 100% Capital Security - Protected Version

<b>Minimum</b>	100.0% (0.00% loss)
<b>Maximum</b>	189.56% (89.56% gain)
<b>Average</b>	128.62% (28.62% gain)
<b>Recent 4 Year</b>	123.59% (23.59% gain)

- Clients would have received a positive return 93.52% of the time.
- Clients would have received just their initial investment (i.e. no positive return) 6.48% of the time.

Source: BNP Paribas as at October 2022. Backtesting analysis/simulated results are for illustrative purposes only. Performance is shown net of fees and gross of tax. BNP Paribas provides no assurance or guarantee that the product will operate or would have operated in the past in a manner consistent with the above backtesting analysis.

**Warning: Simulated past performance is not a reliable guide to future performance.**



Don't forget, you can review your Portfolio online at [vespro.bcp.ie](http://vespro.bcp.ie)

## COUNTERPARTY SELECTION

BNP Paribas is the guarantor of the Issuer of the Certificate. The Issuer is BNP Paribas Issuance B.V., which is a 100% owned subsidiary of BNP Paribas, and investors will have capital exposure to the senior credit risk of BNP Paribas Issuance B.V. and BNP Paribas. In the event of a senior debt default by BNP Paribas Issuance B.V. and BNP Paribas investors' capital is at risk. BNP Paribas is ultimately responsible for the payment of any return of capital and any investment

return due from the Certificate. As a result it is imperative that the guarantor has a strong and sound financial profile and high credit strength. Investors in the BCP Enhanced Multi-Manager Bond 3 should familiarise themselves with the guarantor risk they are exposed to and the information below provides some of the key facts and figures behind BNP Paribas which led BCP to select them as the preferred guarantor for this product.

## ABOUT THE GUARANTOR

- BNP Paribas is one of the largest financial services groups in the world with more than 189,765 employees in 68 different countries. (Source: BNP Paribas as of December 2021).
- BNP Paribas market capitalisation as of 18th October 2022 was €57.11 billion (Source: Bloomberg).
- 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).
- BNP Paribas current credit ratings are in the table below:

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

Source: Bloomberg as at November 2022

- BNP Paribas Issuance B.V. is a 100% owned subsidiary of BNP Paribas and will act as Issuer of the Certificate.
- The return of your capital secure amount and any growth due is dependent on BNP Paribas Issuance B.V. paying back the amounts due under its obligations on the Certificate. Ultimately, the investor bears a credit risk on BNP Paribas as the guarantor of BNP Paribas Issuance B.V. This is called guarantor Risk.
- BNP Paribas Issuance B.V. is the flagship issuer of BNP Paribas with over €87 billion EUR in outstanding issuances. Source: BNP Paribas, as of 31st December 2021.

**Warning: If BNP Paribas were to default, you will lose some or all of your investment and potential return.**

## CREDIT RATINGS

One of the factors you may wish to take into account when reviewing a counterparty is its long term credit ratings. These are the opinions of a range of credit rating agencies regarding the long term security of the counterparty.

A high rating of a counterparty from one or more of the credit rating agencies is not a guarantee that the Issuer will meet its obligation to pay the amount due from the Bond. Fitch and Moody's are independent ratings agencies that research and grade the ability of financial and other institutions to make the payments due from the Securities issued and/or guaranteed by them.

By way of example, Moody's highest possible rating is Aaa, followed by Aa1, Aa2, Aa3, A1, A2, A3, Baa1 and Baa2. These 9 ratings along with their Baa3 rating are generally regarded as investment grade (i.e. of higher quality). A rating outlook assesses the potential direction of a long term credit rating view over the intermediate term. The term considered varies between credit rating agencies; Fitch looks at a 12 to 24 month period, while Moody's says its outlooks are 'over the medium

term'. In determining a rating outlook, consideration is given to any changes in the economic and fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future credit watch action.

- Positive means that a rating may be raised.
- Negative means that a rating may be lowered.
- Stable means that a rating is not likely to change.
- Under review, either positive or negative means a rating may be raised or lowered in the short term.

All references to the credit rating are correct as at November 2022. Credit ratings are subject to change during the offer period and during the term of the Bond. Ongoing information about the ratings of the Counterparty is available from BCP. Please refer to your financial adviser if you have any queries regarding credit ratings.

**Warning: If BNP Paribas were to default, you will lose some or all of your investment and potential return.**

### IMPORTANT DATES

Closing Date	Initial Valuation Date	Start Date	Averaging Dates	Final Maturity Date
9th December 2022	15th December 2022	22nd December 2022	15th June 2026 to 15th December 2026	22nd December 2026



# HOW DOES THE BOND WORK?

## BOND STRUCTURE

Investors in the BCP Enhanced Multi-Manager Bond 3 are investing in a 4 year Certificate issued by BNP Paribas Issuance B.V. and guaranteed by BNP Paribas. BCP Asset Management DAC is the distributor of the Bond and European Depository Bank SA, Dublin Branch, will act as the Custodian of the Certificate on your behalf. A custody account in the name of BCP Asset Management Client Asset Account will hold the Certificate on behalf of investors at European Depository Bank SA, Dublin Branch. European Depository

Bank SA, Dublin Branch is supervised by the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg and is regulated by the Central Bank of Ireland for conduct of business rules. BNP Paribas has not sponsored or endorsed the Bond in any way.

Your entire investment is allocated to the BCP Enhanced Multi-Manager Bond 3. The Bond offers 90% (Growth Plus Version) and 100% (Protected Version) capital security at maturity.

## SUITABILITY

The BCP Enhanced Multi-Manager Bond 3 has been designed for Cautious investors (Growth Plus Version) and Conservative investors (Protected Version) who are seeking positive long-term capital growth and require a level of hard capital security. The Bond is not suitable for investors who require regular income. The Bond is suitable only as a capital growth investment. 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.

Investors are prepared to invest for the full 4 year term. The product does provide liquidity in normal market and funding conditions, however, investors should have an emergency fund and carefully read the liquidity provisions in this Brochure.

## CAPITAL SECURE AMOUNT

Capital security (100% or 90%) is provided at maturity by BNP Paribas Issuance B.V. and guaranteed by BNP Paribas. In the event BNP Paribas Issuance B.V. and BNP Paribas fail to

meet its liabilities, you could lose some or all of your money. Your investment is not covered by any compensation schemes covering counterparty default.

## CALCULATION OF RETURN AT MATURITY

At the end of the 4 year Term, the percentage performance (gain or loss) of the Index is calculated (known as Final Price). Positive Index performance will be multiplied by 300% (Growth Plus Version) or 200% (Protected Version) to determine the return to be added to the original investment amount.

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.

## CHARGES

100% of your investment is allocated to the Bond and any returns generated are based on 100% of the invested capital, not your invested capital minus any

applicable fees. There are no annual management fees.

**Warning: If you invest in this product, at maturity you could lose up to 10% (Growth Plus Version) of the money you invest. Warning: The value of your investment may go down as well as up (Growth Plus Version). Warning: If you cash in your investment before 22nd December 2026 you may lose some or all of the money you invest. Warning: the application of averaging may restrict growth in a rising market.**

## GROWTH PLUS VERSION

Total fees for the Growth Plus Version of the Bond are 4.70% (or €940 for an investment of €20,000). From the total fee received, European Depository Bank SA, Dublin Branch will receive 0.12% (or €24 for an investment of €20,000) for custody and execution services. Where another custodian is used (for example Cantor Fitzgerald, 0.40% is payable to Cantor Fitzgerald for custody and execution services), this fee is payable to that custodian. If you have invested via an authorised investment intermediary they will be paid a fee of 2.25% (or €450 for an investment of €20,000), equivalent to 0.56% per annum. This fee is payable to BCP if you do not deal with us through an intermediary. BCP Asset Management will receive a fee of 2.33% (or €466 for an investment of €20,000) for the distribution, marketing and administration of the Bond, equivalent to 0.58% per annum. The total fee and the fee payable to BCP quoted above may vary depending on the fee payable to BCP by BNP Paribas on any subsequent increases or decreases to

the initial amount hedged for this product. The fee to BCP will depend primarily on the option price, the market interest rate and the Bank's funding rate at the time. The actual % payable to BCP will be notified to you after the start date of this product. In addition to this commission we may receive from or provide to our counterparties and/or intermediaries minor non-monetary benefits which may arise in the normal course of business (e.g. attendance at training, conferences or off site meetings that may include a minor sustenance).

For any early withdrawal a 0.5% (or €100 for an unwind of €20,000) administration charge (subject to €100 minimum charge) payable to BCP will apply to the full realised market value (which may be more or less than the amount invested). BNP Paribas may, in normal market and funding conditions, apply a charge which is equivalent to a deduction from the realised market value of no greater than 0.5%. The full realised market value may be more or less than the capital secure amount.

## PROTECTED VERSION

Total fees for the Protected Version of the Bond are 4.81% (or €962 for an investment of €20,000). From the total fee received, European Depository Bank SA, Dublin Branch will receive 0.12% (or €24 for an investment of €20,000) for custody and execution services. Where another custodian is used (for example Cantor Fitzgerald, 0.40% is payable to Cantor Fitzgerald for custody and execution services), this fee is payable to that custodian. If you have invested via an authorised investment intermediary they will be paid a fee of 2.25% (or €450 for an investment of €20,000), equivalent to 0.56% per annum. This fee is payable to BCP if you do not deal with us through an intermediary. BCP Asset Management will receive a fee of 2.44% (or €488 for an investment of €20,000) for the distribution, marketing and administration of the Bond, equivalent to 0.61% per annum. The total fee and the fee payable to BCP quoted above may vary depending on the fee payable to BCP by BNP Paribas on any subsequent increases or decreases to

the initial amount hedged for this product. The fee to BCP will depend primarily on the option price, the market interest rate and the Bank's funding rate at the time. The actual % payable to BCP will be notified to you after the start date of this product. In addition to this commission we may receive from or provide to our counterparties and/or intermediaries minor non-monetary benefits which may arise in the normal course of business (e.g. attendance at training, conferences or off site meetings that may include a minor sustenance).

For any early withdrawal a 0.5% (or €100 for an unwind of €20,000) administration charge (subject to €100 minimum charge) payable to BCP will apply to the full realised market value (which may be more or less than the amount invested). BNP Paribas may, in normal market and funding conditions, apply a charge which is equivalent to a deduction from the realised market value of no greater than 0.5%. The full realised market value may be more or less than the capital secure amount.

## PERFORMANCE FEE

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 amount 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 fee paid to BCP and your intermediary, where applicable.

## WHERE DOES MY INVESTMENT GO?

You are purchasing a BNP Paribas Issuance B.V. Certificate. BCP has appointed European Depository Bank SA, Dublin Branch (EDB) who are authorised to act as the custodian of the Certificate. Investor funds will be transferred from BCP to EDB who in turn will transfer the funds to BNP Paribas on or before the start date. At the Final Maturity Date or earlier if encashed, funds will be transferred from BNP Paribas back to EDB who in turn will

transfer funds back to BCP. All funds with BCP after maturity are held in a pooled BCP Asset Management Client Asset Account. BCP will advise you of the amount received and request your written instructions. All funds in EDB will be held in a BCP Asset Management Client Asset Account with other clients' assets as part of a common pool. For full details please refer to Section 4 in the Terms and Conditions on page 22.

## DO I HAVE ACCESS TO MY INVESTMENT?

The Certificate will be listed on the Luxembourg Stock Exchange and are tradable investments. BNP Paribas endeavours to make a secondary market in the Certificates, subject to it being satisfied that normal market and funding conditions prevail. There is no guarantee liquidity will be available at the time you wish to encash. Any prices indicated will be dependent upon a number of factors including the remaining time to the Maturity Date, the BNP Paribas Issuance B.V. and BNP Paribas' credit risk, the performance and volatility of the underlying Index, interest rates, exchange rates, credit spreads and any incidental costs. A 0.5% (or €100 for an investment of €20,000) administration charge (subject to €100 minimum) payable to BCP will apply to the full realised market value (which may be more or less than the amount invested) of any early exit

from this investment. BNP Paribas may apply a charge which is equivalent to a deduction from the realised market value of no greater than 0.5%. BNP Paribas may be the only market maker in the Certificates which may affect liquidity. Therefore, 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. Deductions for fees and charges are not made uniformly throughout the life of the Bond, but are loaded onto the early period. If you withdraw from the Bond in the early period this will impact on the value you will receive.

## TWO VERSIONS

Investors have two bond options to choose from within this structure. These have been designed to cater for varying

risk and return requirements of individual investors.

## 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. There is no limit to the maximum return that can be earned from this Bond. If the Performance of the Index is 15% over the term of the Bond, the return to investors will be 100% of the amount invested plus 45% (15% x 300%) giving a

Gross Return of 45%. As the 45% return in this case is above the 18% Performance Fee hurdle rate, a 1% Performance Fee will be paid to BCP by BNP Paribas, with a return of 45% to investors. This is equivalent to 11.25% per annum (CAR 9.73%). 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%.

## PROTECTED 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 200% of the Performance achieved by the Index over the investment term. There is no limit to the maximum return that can be earned from this Bond. If the Performance of the Index is 15% over the term of the Bond, the return to investors will be 100% of the amount invested plus 30%

(15% x 200%) giving a Gross Return of 30%. As the 30% return in this case is above the 18% Performance Fee hurdle rate, a 1% Performance Fee will be paid to BCP by BNP Paribas, with a return of 30% to investors. This is equivalent to 7.5% per annum (CAR 6.78%). Where the Index performance is negative at the end of the 4 year investment term, 100% of the capital invested will be returned.

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## WHAT HAPPENS IF I DIE?

In the event of the death of a sole investor prior to the expiry of the Term:

a) the Bond may be transferred into the names of the deceased investor's personal representatives or of any other person nominated by such personal representatives, or

b) the Bond may be redeemed, subject to normal probate regulations, at its realisable value as determined by BCP based on a calculation by the Bank, at the discretion of the Bank. The redeemable amount will be calculated primarily by reference to the market value of the assets, the remaining term to maturity, and the prevailing interest rates at the time. The amount redeemed may be more or less than the capital invested.

Where the Bond is held in joint names it will, upon the death of one of the investors and upon production of such evidence of death as BCP or the Bank may require, be transferred into the name(s) of the surviving investor(s).

Where an investment is made on behalf of a self-directed or self-administered pension plan, in the event of death of a member prior to the expiry of the Term, the Bond may be redeemed at its realisable value as determined by BCP based on a calculation by the Bank which may be more or less than the capital invested. The proceeds from such redemption will be paid to the trustees of the plan, or the investing life company as appropriate.

A 0.5% (or €100 for an investment of €20,000) administration charge (subject to €100 minimum) payable to BCP will apply to the full realised market value (which may be more or less than the amount invested) of any early exit from this investment. BNP Paribas may apply a charge which is equivalent to a deduction from the realised market value of no greater than 0.5%.

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## WHAT ABOUT TAX?

The Bond is a Certificate and all investment returns will be 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. It is our understanding that the Growth Plus Version should be subject to Capital Gains Tax where applicable. With respect to the Protected Version, based on independent taxation advice received, it is our understanding that this product

should be subject to Income Tax where applicable. Revenue law and practice can change at any time; the tax treatment will depend on the individual circumstances of each client and may be subject to change in the future. BCP are not tax advisers and are not offering tax advice on this product. Investors should satisfy themselves independently of the taxation treatment of the Bond, in relation to reporting requirements and the implications of non-disclosure.

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## WHAT IS A CERTIFICATE?

A Certificate is an instrument issued by a bank that confers a debt obligation on the bank to the benefit of the investor. A Certificate can therefore be classified as a bank debt security or a bank bond. The BCP Enhanced Multi-Manager Bond 3 is in the form of a Certificate issued by BNP Paribas Issuance B.V., a 100% owned subsidiary of BNP Paribas, and is

guaranteed by BNP Paribas. This is a senior unsecured debt instrument that ranks equally with all other senior unsecured debt issued by BNP Paribas Issuance B.V. The Certificate will be listed on the Luxembourg Stock Exchange and can therefore be generally classified as a listed bond.

## CHECKLIST FOR INVESTORS

### INDIVIDUALS

- Please complete the BCP application form in full.
  - Please provide a certified copy of photo ID for each investor. The photo ID must not have expired, must be clear and in the name of the investor.
  - Please provide a certified copy (or original) of address verification for each investor dated in the last 6 months.
  - Where you have paid by non personal cheque (e.g. Bank or Credit Union draft) we require sight of the statement or a stamped bank receipt for the account from which the draft was drawn and we require a second proof of address verification for each investor.
  - For Non Resident personal investors please contact BCP for further requirements.
- Please note that additional documentation may be required.


### SELF-DIRECTED ARF, PRB, PRSA & SSAP

- Please complete the BCP application form in full.
  - Please provide a certified copy of photo ID for the beneficiary. The photo ID must not have expired, must be clear and in the name of the beneficiary.
  - Please provide a certified copy (or original) of address verification for the beneficiary dated in the last 6 months.
  - Please provide a copy of Revenue Approval for SSAPs.
- Please note that additional documentation may be required

### BCP ARF OR BCP PRB INVESTORS

- Please complete the BCP ARF or BCP PRB application form in full.
  - Please provide a certified copy of photo ID for the beneficiary. The photo ID must not have expired, must be clear and in the name of the investor.
  - Please provide a certified copy (or original) of address verification for the beneficiary dated in the last 6 months.
- Please note that additional documentation may be required.

### CORPORATES, CHARITIES & TRUSTS

-  **For Corporates, Charities & Trusts (i.e. any non individual investor) a Legal Entity Identifier (LEI) is required prior to investing. Please contact BCP for Anti Money Laundering (AML) requirements.**

## INTERMEDIARY CHECKLIST

- Intermediary Firms must be authorised for 'Listed Shares & Bonds' in order to advise on this product.** Individual advisers must meet the requirements of the Central Bank's Minimum Competency Code relating to Savings and Investments. Advisers who are Grandfathered must also ensure that on their Statement of Grandfathered Status they have been Grandfathered in respect of section 3. Savings & Investment e) - 'Listed Shares & Bonds'.
- The Intermediary Firm must complete the 'BCP Products Due Diligence' (if you have not previously completed it).
- This product is only available to clients who have received investment advice. As such you will need to complete a client fact find and issue your client(s) with a Suitability letter outlining why the investment is considered suitable.

# TERMS & CONDITIONS

## 1. DEFINITIONS

'ARF': Approved Retirement Fund.

'BCP': BCP Asset Management DAC. BCP is regulated by the Central Bank of Ireland.

'Bond': The Bond means the BCP Enhanced Multi-Manager Bond 3 – Growth Plus Version and/or the BCP Enhanced Multi-Manager Bond 3 – Protected Version provided by BCP in accordance with these Terms and Conditions.

'Custodian': European Depository Bank SA, Dublin Branch is supervised by the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg and is regulated by the Central Bank of Ireland for conduct of business rules. The registered address is 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland and the website is <https://www.europeandepositorybank.com>.

'Final Maturity Date/Maturity Date': 22nd December 2026.

'Fitch': Fitch Ratings.

'Index': Dynamic Allocation Fund Stars Index VC 4. The Bloomberg code is ENHADFS.

'Guarantor': BNP Paribas is a French credit institution (bank) that is 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). Registered Office: 16 Boulevard des Italiens, 75009 Paris, France. Website: [www.bnpparibas.com](http://www.bnpparibas.com).

'Initial Valuation Date': 15th December 2022.

'Investment': the sum of money invested by you.

'ISIN Code': XS2440500770 – for Growth Plus Version and XS2440500853 – for Protected Version.

'Issuer': BNP Paribas Issuance B.V. (100% owned subsidiary of BNP Paribas). Registered Office: Herengracht 595 Amsterdam, 1017 CE Netherlands. Website: [www.bnpparibas.nl](http://www.bnpparibas.nl).

'Listing': The Certificate will be listed on the Luxembourg Stock Exchange.

'Market Disruption Event': If any of: (i) a disruption or suspension of, or limitation on, the operations of any of the parties or entities connected with the provision of services affecting the Bond, for any reason whatsoever; (ii) any material modification of the Index for any reason whatsoever which affects the Index or any other event which requires an adjustment; (iii) the calculation and/or publication of the Index is taken over by another person, or is replaced by a successor asset, or an error in the level of the asset is discovered for any reason whatsoever or the asset ceases to exist.

'Moody's': Moody's Investor Services Limited.

'Performance of the Index' is defined in 9.1 below.

'PRB': Personal Retirement Bond.

'Return' means the gross return calculated in accordance with Section 9 below.

'Senior Debt': Borrowed money that a company must repay first if it goes out of business. If a company goes bankrupt, senior debt holders are most likely to be repaid, followed by junior debt holders, preferred stock holders and common stock holders.

'SSAP': Small Self Administered Pension.

'Standard & Poor's': Standard and Poor's Financial Services LLC.

'Start Date': 22nd December 2022.

'Term': the period from and including the Start Date to the Final Maturity Date.

'U.S. Person': a U.S. Person as defined in Regulation S under the U.S. Securities Act of 1933, as amended, or as defined in the U.S. Internal Revenue Code of 1986, as amended.

## 2. CONFIRMATION OF IDENTITY (NEW & EXISTING CLIENTS)

Further to the money laundering provisions of the Criminal Justice (Money Laundering & Terrorist Financing) Act, 2010 as amended clients must provide with their application (1) Original certified copy of signed passport or full drivers licence certified by one of the following: Garda Síochána / Accountant / Solicitor / Notary Public / Embassy- Consular Staff Member / Authorised Financial Service Provider and (2) original address verification (e.g. utility bill) dated within the last 6 months. Please note this applies to existing as well as new clients.

## 3. CLIENT ORDER EXECUTION POLICY A

Client orders to BCP must be in writing, signed by the client. Clarifications of orders may be communicated by recorded telephone call. Orders will be processed according to the date they are received. They will be transmitted to the relevant entity in the order all documentation (including that required to comply with BCP's Anti- Money laundering policy) to the standard required by BCP to process the order, is received.

## 4. YOUR INVESTMENT

- 4.1 Prior to the Start Date and following maturity/early encashment, your money will be held in a Client Asset Account in the name of BCP Asset Management DAC. Your money will be held with other clients' assets as part of a common pool so you do not have a claim against a specific sum in a specific account; your claim is against the client assets pool in general. In the case of any such pooled client account we will ensure that such account is in the name of BCP Asset Management DAC, is designated as a client asset account and that only we are entitled to issue instructions in respect of this account. This client asset account will be operated in accordance with the Irish Client Asset Regulations 2017. Funds will be transferred to the Custodian before the Start Date to facilitate the purchase of your Investment. No interest will be paid to you in relation to the period up to the Start Date.
- 4.2 When the Custodian receives your Investment, it will allocate such monies to a custody account in the name of BCP Asset Management DAC Client Asset Account, your Investment will be held with other clients' assets as part of a common pool so you do not have a claim against a specific sum in a specific account; your claim is against the client assets pool in general. This account will be operated in accordance with the Irish Client Asset Regulations 2017.
- 4.3 The Certificate will be registered in the name of the Custodian, and documents of title, if any, will be kept in the custody of the Custodian.

4.4 After the start of the Investment, following the purchase of the Certificate in respect of your Investment, BCP will send you written confirmation of your Investment. We will provide you with quarterly statements for this Investment. Prices for BCP products will also be updated at least quarterly, and available to view online via [vespro.bcp.ie](http://vespro.bcp.ie).

## 5. CUSTOMER CATEGORY

BCP, as Lead Distributor, will treat you as a retail client for the purposes of the Markets in Financial Instruments Directive ('MiFID'). This means you will receive the highest level of MiFID protection. You may request to be treated as a professional client providing you meet additional criteria however, if you do so, you will lose some of the protections afforded to retail clients under MiFID.

## 6. AVAILABILITY

- 6.1 The Bond is available to individuals who are aged 18 or over investing on their own behalf, charitable/religious bodies, companies, pension funds, ARFs, PRBs, SSAPs and PRSAs.
- 6.2 The Bond may not be legally or beneficially owned, held, redeemed or exercised at any time by or transferred or pledged to any "U.S. Person".
- 6.3 The minimum investment is €20,000. The minimum investment is reduced to €10,000 where investments are completed in full online using [vespro.bcp.ie](http://vespro.bcp.ie).
- 6.4 The closing date for applications is 9th December 2022 or earlier, if fully subscribed. BCP and/or the Custodian accept no responsibility for applications (i.e. completed application form(s) plus cleared funds and any other appropriate documentation if required) until they are physically received and accepted by them. Applications received after the 9th December 2022 may be accepted at the discretion of BCP.

## 7. CANCELLATION RIGHTS

- 7.1 You have the option to cancel your application to invest in the Bond by 9th December 2022. In order to cancel written notice must be received by BCP by 9th December 2022.
- 7.2 BCP reserves the right, at its sole discretion, not to proceed with this Bond at any time up to and including the Start Date. In such circumstances your Investment amount will be returned to you without interest.

## 8. WITHDRAWALS

- 8.1 Daily liquidity is available in normal market and funding conditions. The Bond is designed to be held for the full 4 year investment term. If you need to cash in your investment early, you may, provided another party wishes to purchase it. We cannot guarantee what its value will be at that point and it may be less than you originally invested. You will be paid the value of your investment in accordance with the prevailing market rate at that time, less any associated selling cost.
- 8.2 In the event of death of a sole investor prior to the expiry of the 4 year Term:
  - (a) the Bond may be transferred into the names of the deceased investor's personal representatives or of any other person nominated by such personal representatives, or

(b) the Bond may be redeemed, subject to normal probate regulations, at its realisable value as determined by BCP and the Bank, which may be more or less than the capital secure amount.

- 8.3 Where the Bond is held in joint names, it will, upon the death of one of the investors and upon production of such evidence of death as BCP or the Bank require, be transferred into the name(s) of the surviving investor(s).
- 8.4 Where an investment is made on behalf of a self directed or self administered pension plan, in the event of death of a member prior to the expiry of the 4 year Term, the Bond may be redeemed, subject to the terms of the rules of the underlying scheme or policy, at its realisable value as determined by BCP and the Bank which may be more or less than the capital invested. The proceeds from such redemption will be paid to the trustees of the plan, or the investing life company as appropriate.
- 8.5 A 0.5% administration charge (subject to €100 minimum) payable to BCP will apply to the full realised market value (which may be more or less than the amount invested) of any early exit from this investment. BNP Paribas may apply a charge which is equivalent to a deduction from the realised market value of no greater than 0.5%. We would need to receive an instruction from you in writing to process any early encashment of your investment. In the case of joint accounts, instructions from all parties will be required.

## 9. RETURN

- 9.1 Performance of the Index is calculated as  $(\text{Final Price} - \text{Initial Price}) / \text{Initial Price}$  where (1) the Initial Price of the Index is the closing level of the Index on 15th December 2022 or the next business day for the Index; (2) The Final Price for the Index is the simple average of the Index values taken at monthly intervals from and including 15th June 2026 to 15th December 2026. Where a price is not available on the 15th of a month due to it not being a business day for pricing purposes, the price used will be the next business day regardless of whether a price is available on the 15th.
- 9.2 If the Performance of the Index is positive at the end of the Term, the Gross Return of the Bond is calculated as  $(\text{Performance of the Index} \times \text{Participation})$  where Participation is 300% for the Growth Plus Version and 200% for the Protected Version. This will be added to your investment to calculate the amount due to you at maturity.
 

If the Performance of the Index is negative over the term of the Bond, there will be a 1% loss of capital for every 1% fall in the Index, subject to a maximum loss of 10% for the Growth Plus Version. If the Performance of the Index is negative over the term of the Bond, the Protected Version will return 100% of your investment.
- 9.3 No interest will be paid to you on your investment in relation to the period up to 22nd December 2022.

## 10. MATURITY

At maturity, you will have the option to access your maturity proceeds, or you may have the option to reinvest the proceeds into other products which may be available at that time. Your financial adviser and BCP will contact you before maturity to ask your preference. At maturity, your proceeds will be transferred back to a BCP client asset account and will be held by BCP

in accordance with the Irish Client Asset Regulations 2017. Your money will be held with other clients' assets as part of a common pool so you do not have a claim against a specific sum in a specific account; your claim is against the client assets pool in general. If you do not provide us with an instruction, matured funds will be held in this BCP client asset account until they are returned to you by cheque or electronic funds transfer, unless BCP has notified you otherwise in writing. Negative interest may be charged on any unclaimed maturity funds.

## 11. JOINT ACCOUNTS

Unless otherwise agreed in writing with BCP, the withdrawal of funds at maturity will require the consent of all account holders.

Should you wish BCP to provide statements separately to each account holder or should you wish to impose any limitations on the operations of the account, please advise BCP prior to investing in this product.

## 12. COMPLAINTS

Any complaint about the sale of this Bond should be made to your financial adviser or the intermediary through whom you invested or BCP Asset Management DAC, 71 Upper Leeson Street, Dublin 4, D04 XK68 if relevant. Any complaints referred to BCP relating to your Investment will be investigated thoroughly and in accordance with the BCP's Complaints Policy. Details of the Complaints Policy are available on request. If you are dissatisfied with the outcome of BCP's efforts to resolve your complaint, it is possible that you may be able to refer your complaint to the Financial Services and Pensions Ombudsman.

## 13. CONFIDENTIALITY

BCP observes a strict duty of confidentiality about your financial affairs. Save at your request or with your consent, BCP will not disclose any details relating to your investment to anyone else other than in the following circumstances:

- to comply with a Court Order.
- to comply with a direction or request from a statutory or regulatory body entitled to such details.
- in accordance with any applicable legislation.

## 14. DATA PROTECTION

BCP Asset Management DAC complies with the requirements of the General Data Protection Regulation 2018.

"Information" means any information given by you or on your behalf in connection with your Investment Application to us. Where you are not a natural person, Information also includes any information you provide to us in respect of your officers, directors or employees, in this regard the use of the term 'you' in this Section 14 Data Protection refers to you or such individuals as appropriate. Information includes any further information which may be given at a later stage either in writing, by email at a meeting or over the telephone including that furnished in connection with any application for any product/service available through us.

The Information will be used by us for the purposes of processing your applications, managing and administering your relationship with us and any products/services for which you have completed an application. The information will also be used for the prevention of money laundering, financing of terrorism or fraud, and compliance with any legal and regulatory obligations which apply to us.

The Information may be disclosed to BCP Asset Management group, third parties including, but not limited to, the intermediary acting on your behalf, product producers/service providers to which you have submitted an application or to which such submission is being contemplated, the providers of services to us, the Administrator, distributors, the Trustee and/or their respective delegates and agents of any Fund you are invested in. We may also disclose your data for legitimate business interest & legal obligations, to auditors, the Central Bank of Ireland, the Irish Revenue Commissioners, other relevant regulators and tax authorities. For further information on Foreign Account Tax Compliance Act (FATCA) or Common Reporting Standard (CRS) please refer to Irish revenue website at <http://www.revenue.ie/en/business/aeoi/index.html> or the following link: <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/> in the case of CRS only.

## RIGHT OF ACCESS, RECTIFICATION OR ERASURE

You have the right at any time to request a copy of any "personal data" (within the meaning of the General Data Protection Regulation 2018 and the Irish Data Protection Act 2018) that we hold in relation to you and have it corrected if it is inaccurate or out of date. To exercise your Right of Access or to update your details under your Right of Rectification or Erasure please email your request to [Dataprotection@bcp.ie](mailto:Dataprotection@bcp.ie).

## DATA RETENTION

Information submitted by you when making an enquiry may be retained by us for a period of up to 12 months from the date of the enquiry. Investor's information will be held for a period of at least 6 years after the ending of the client relationship.

## DATA SECURITY

BCP Asset Management DAC intend to strictly protect the security of your personal information and carefully protect your data from loss, misuse, unauthorised access or disclosure, alteration or destruction. We have taken appropriate steps to safeguard and secure information held by us.

## 15. CONFLICT OF INTEREST

Occasions can arise where BCP, or one of its clients, will have some form of interest in business which is being transacted for the Bond. If this happens, or if BCP becomes aware that its interests or those of one of its other clients conflict with your interests, you will be informed and asked for your written consent before any transaction is carried out. A copy of the Custodian's conflicts of interest policy can be obtained upon request.

## 16. ASSIGNMENTS

Investor(s) may not transfer (either by assignment or by novation) or create any security over any or all its rights, interests and obligations in the Bond without the prior written consent of BCP.

## 17. BOND OPERATION

Neither BCP, the Issuer, the Bank, the Custodian nor their agent(s) will be liable for any loss you may suffer if BCP, the Issuer, Bank, the Custodian or their agent(s) is prevented from providing any service as a result of industrial action, power failure or other cause beyond the reasonable control of BCP, the Issuer, the Bank or their agent(s). The above includes scenarios



whereby the Index is discontinued and no alternative Index is available or there is a change in law or the Bank's authorisation whereby the Bank can no longer maintain the Certificate. Should this occur the Bank may repay the Certificate before the maturity date for an amount that may be more or less than the initial amount invested.

Should an adjustment event occur during the 4 year term which affects the valuation of the Index, BCP shall be entitled, after consultation with the Bank and at its absolute discretion, to adjust any relevant terms of the Bond to preserve the economic equivalent of your investment prior to the occurrence of such event.

The Bank acts as Issuer only and is not liable for the responsibilities of BCP to you in relation to the Bond, this brochure or for any other information provided to you by BCP. The Bank is not offering financial or tax advice to BCP or investors. It does not make any representation, express or implied, as to the investment terms or the performance of the Bond. Any such statements herein, as well as all other statements regarding the Bond, are the sole responsibility of BCP.

Potential investors should note that in purchasing any product described in this document, you will be a client of BCP Asset Management DAC and not a client of BNP Paribas or any of its affiliates. You therefore will not have any contract with BNP Paribas or its affiliates. Potential investors should also note that this document is the sole responsibility of BCP Asset Management DAC and that BNP Paribas and its affiliates take no responsibility for the reliability, accuracy or completeness of its contents, any representations made herein, the performance of the product or the marketing of the product including compliance with any applicable marketing or promotion laws, rules or regulations. BNP Paribas and its affiliates specifically disclaim any liability for any direct, indirect, consequential or other losses or damages including loss of profits incurred by you or by any third party that may arise from any reliance on this document

## 18. VARIATION

BCP reserves the right to amend, vary or supplement these Terms & Conditions, during the Term of the Bond. This may be for one of the following reasons:

- (a) due to a change in legal, regulatory or taxation requirements to which BCP is subject, or a change in the manner in which same are applied;
- (b) to comply with an order of a court or other analogous authority;
- (c) to make the Terms & Conditions fairer to you or to correct a mistake (provided that such a correction would not adversely affect your rights);
- (d) to enable your Bond to be managed more effectively, or to provide you with additional options within your Bond.

Where possible you will be notified of any changes at least 30 days in advance of changes taking effect.

## 19. ACCEPTANCE OF TERMS & CONDITIONS

By accepting these Terms & Conditions, you authorise BCP to disclose all relevant particulars of your Investment where BCP is required by law, regulation, court (or other arbitral) order,

taxation authority or other supervisory or regulatory authority to do so.

## 20. DISCLAIMER

Reference within this document to particular assets or indices are included only to indicate the basis upon which the investment return is calculated, not to indicate any association between BCP or the Issuer and the relevant fund or the relevant index provider, nor does such reference indicate any endorsement of the investment by the relevant provider. Neither BNP Paribas Issuance B.V. nor BNP Paribas has prepared this document and therefore accepts no responsibility for its contents, nor any liability for any losses in connection with the information contained herein. BCP has prepared this document and accepts responsibility for its contents.

## 21. TELEPHONE RECORDING

For the prevention of fraud, money laundering and the financing of terrorism and for security, training, compliance and monitoring purposes all telephone calls to and from BCP may be recorded.

## 22. COMMUNICATION

BCP will always write and speak to you in English.

## 23. FORCE MAJEURE

In the event of any failure, interruption or delay in the performance of its obligations resulting from the breakdown, failure or malfunction of any telecommunications or computer service, industrial disputes, failure of any third party to carry out its obligations, acts of governmental or supranational authorities, or any other event or circumstance whatsoever not reasonably within its control, BCP and/or the Custodian may be unable to fulfil its financial responsibilities in the market then your ability to realise your Investment may be restricted and BCP and/or the Custodian shall not be liable or have any responsibility of any kind for any loss or damage you incur or suffer as a result.

## 24. NO RESTRICTION ON INVESTMENT SERVICES

Nothing herein shall restrict BCP and/or the Custodian's right to provide investment services to others.

## 25. GOVERNING LAW

- 25.1 These Terms and Conditions and all non-contractual obligations arising out of or in connection with them shall be governed by Irish law and will become effective on acceptance by BCP of your signed Application Form.
- 25.2 The issue of the Certificate is governed by English law and your rights relating to that instrument may differ were it subject to Irish law.
- 25.3 If there is a conflict between these terms and conditions and the terms and conditions of the relevant Certificate then the Certificate's Terms and Conditions shall have supremacy.

