

QUARTER 2 2014

Memory Bond Secure Option

INDICATIVE KEY FEATURES

Capital Protection:	100% provided by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA).			
Underlying Investments:	AnheuserBusch InBev NV	Philips	Volkswagen	Airbus Group NV
Potential Return:	Investors will receive a potential annual return of 4% per annum paid out each year if the 4 underlying shares are above their initial level.			
Memory Feature:	If one of the potential annual payments of 4% is not paid out in any given year or years but the 4 underlying shares are above their initial levels at the end of a subsequent year, the potential annual return of 4% for that subsequent year and the previous years that were missed are also paid out.			
Term:	5 years	Liquidity:	Daily, listed on the Irish Stock Exchange.	
Minimum Return:	0%	Taxation:	Exempt for Pension & Post Retirement Investors	
Maximum Return:	20%	Closing Date:	25 July 2014	
Minimum Amount:	€25,000			

INVESTMENT RATIONALE - WHY INVEST IN EUROPEAN EQUITIES?

- Equities as a long term investment:** Although investing in equities involves a degree of investment risk and there will be volatile periods along the way, in the long term, equities tend to outperform other assets like bonds, property, cash etc. By adopting a medium term approach, equity investors can mitigate the risks and short term volatility associated with stock market investment while benefiting from the long term capital growth potential that stock markets can provide.
- Performance/Valuation:** The European stock market has not yet recovered to the same extent as the stock markets of other regions. For example, since the low for European Equities in March 2009, the US stock market has recovered to a level above its pre-crisis level whereas the European market has recovered roughly 70% of its pre-crisis high.

CREDIT RATINGS

Moody's Credit Ratings			
Rating Scale	Long Term Rating	Institution Name	Long Term Rating
INVESTMENT GRADE ↑ ↓	Aaa		
	Aa1		
	Aa2		
	Aa3		
	A1		
	A2		
	A3		
	Baa1		
	Baa2	BBVA	Baa2
	Baa3		
SPECULATIVE GRADE ("JUNK") ↑ ↓	Ba1	KBC Bank Ireland PLC	Ba1
	Ba2	Bank of Ireland	Ba2
	Ba3	Allied Irish Bank	Ba3
	B1		
	B2		
	B3		
	Caa		
	Ca		
	C		

AVAILABILITY

- **Pension & Post Retirement Investors:**
Self Invested Plans, ARFs, AMRFs and PRBs.
Self Administered Pensions, PRSAs, ARFs, AMRFs and PRBs.
- **Others:**
The Bond may be suitable for some Personal Investors, Companies, Credit Unions, Trusts etc.

WHO IS THE BOND SUITABLE FOR?

Investors seeking Capital Protection	✓
Investors seeking an investment with the potential to pay an income each year	✓
Investors seeking access to their capital	✓
Investors seeking the full potential returns that equity markets can provide	✗
Investors seeking unlimited returns	✗

RISK CATEGORISATION

Merrion Solutions considers the Memory Bond to have a **risk score of 2** on its risk scale as follows:

1	ULTRA CONSERVATIVE
2	CONSERVATIVE
3	CAUTIOUS
4	PRUDENT
5	BALANCED
6	SPECULATIVE
7	AGGRESSIVE

ABOUT MERRION SOLUTIONS

Merrion Solutions is a division of Merrion Stockbrokers Limited developed with the needs and objectives of Irish Financial Brokers at the forefront of everything we do. There are two strands to the business:

- We have combined the expertise of Duggan Asset Management and Merrion Stockbrokers Limited to develop a new and innovative Structured Investment business. This business will provide solutions that empower Financial Brokers and their clients in navigating a course from deposits back to normal investment portfolio construction.
- myfunds: We have created a Financial Broker friendly Stockbroking solution that combines Merrion's Investment Management and Stockbroking capability into one low cost, transparent and potentially tax efficient offering.

For more information, please call (01) 2404188 or email solutions@merrion-capital.com.

**Warning: This document is not a recommendation and is intended for Financial Broker Firms only.
This document is not suitable to be provided to potential investors.**