



Exclusively available to clients of Cantor Fitzgerald Ireland Ltd

## IDAD / MEDIOBANCA 10-YEAR SENIOR PREFERRED BOND ISSUE 3

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100% capital secure bond

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Potential for coupons of up to 0.70% in years 1 and 2, and 0.50% thereafter

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- Fixed coupon of 0.50% in years 1 to 10
  - Conditional coupon of 0.20% in years 1 and 2 linked to the performance of the Euro Stoxx 50
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Bond issued by Mediobanca

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**Closing Date 17 September 2021**

Marketing Material: this brochure is for Credit Unions only

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## Product Summary

Name:	IDAD/Mediobanca 10-Year Senior Preferred Bond (“Bond”)
Product Type:	Bank Bond, as set out in the relevant regulations
Issuer:	Mediobanca Banca di Credito Finanziario S.p.A. (“Mediobanca”)
Credit Rating:	Moody’s (Baa1)/S&P (BBB)/Fitch (BBB-) - as of 9 August 2021
Listing:	Euronext Dublin
Liquidity:	Secondary market provided by the Issuer
Lead Distributor:	IDAD Limited (“IDAD”)
Capital Protection:	100% capital protection at maturity
Investment Term:	10 years
Denominations:	€100,000
Fixed Coupons:	0.50% in years 1-10
Bonus Coupon:	0.20% in years 1-2
Bonus Coupon Criteria:	Paid if the Index is greater than its initial strike price
Index:	Euro Stoxx 50

**Investment Rationale:** This investment is a Bank Bond and therefore a permitted investment within the prescribed classes as set out in the Credit Union Act 1997 (Regulatory Requirements) Amendment Regulations 2018. The Bond offers investors access to a competitive rate of return. Furthermore, the Bond offers Credit Unions an opportunity to reduce reinvestment risk and to continue to diversify their credit exposure to investment grade rated banks.

**Annual Coupons:** The Bond pays fixed coupons of 0.50% in years 1-10 with the potential for bonus coupons of 0.20% in years 1 and 2 if the Index is greater than its initial strike price on the Start Date (please refer to page 14). The Bond’s minimum total return is 5.00%, and its maximum total return is 5.40%.

**Maturity:** After 10 years, each investor will be repaid 100% of their initial capital invested plus the final Fixed Coupon.

**Risk:** The Bond is categorised as a low-risk investment with a 10-year term. Please note that even though this product is capital guaranteed at maturity, this is a long-term investment structure that locks in returns and during inflationary periods the real value of the investment capital may be eroded. Also, by locking in returns over a longer period a client may forgo higher returns should interest rates rise sooner than expected. If the Bond is sold back to the Issuer before the Final Maturity Date you may get back less than the 100% capital protected amount.

**Documentation:** After issuance, the Bond’s Final Terms will be made available upon request, and the Issuer’s base prospectus can be downloaded at <https://www.mediobanca.com/it/prodotti-emessi/documenti/documentazione-quadro.html>. This brochure does not purport to be comprehensive, and investors are invited to read the available documents to form a decision on the investment.

**WARNING: This investment is a complex investment product and may be difficult to understand. Investors should not invest in this product without having sufficient knowledge, experience and professional advice from their Financial Broker to make a meaningful evaluation of the merits and risks of investing in a product of this type, and the information contained in this document and the Base Prospectus.**

**WARNING: The Bond has a term of 10 years. If you decide to cash in your investment before the end of investment term, you may lose some or all of your investment and investment return.**

**WARNING: Mediobanca is licensed as a credit institution in Italy and, as such, is subject to the resolution regime introduced by the EU Bank Recovery and Resolution Directive n. 59 of 15 May 2014 as implemented in Italy (the “BRRD”). As a result of the implementation of BRRD, investors may be subject to write-down, with the possibility of the nominal value of the financial instruments being cancelled, or conversion into equity on any application of the bail-in tool. Therefore, through the exercise of any power under the BRRD, investors may suffer the write-down, cancellation or conversion into equity, on a permanent basis, of their investment, even if there is no formal declaration of insolvency by the Issuer.**

## How does the Bond work?

This Bond matures after an investment term of 10 years. At maturity investors will receive 100% of their initial investment back plus any final coupons payable. The maximum potential return over the 10-year investment term is 5.40%.

	10-Year Senior Preferred Bond
Issue Date	Please refer to page 14
Start Date	Please refer to page 14
Final Maturity Date	Please refer to page 14
Capital Protection	100% capital protection at maturity provided by Mediobanca
Minimum Total Return	5.00%
Maximum Total Return	5.40%
Coupon in Year 1	0.50% fixed plus a potential 0.20% Bonus coupon
Coupon in Year 2	0.50% fixed plus a potential 0.20% Bonus coupon
Coupon in Year 3	0.50% fixed
Coupon in Year 4	0.50% fixed
Coupon in Year 5	0.50% fixed
Coupon in Year 6	0.50% fixed
Coupon in Year 7	0.50% fixed
Coupon in Year 8	0.50% fixed
Coupon in Year 9	0.50% fixed
Coupon in Year 10	0.50% fixed
Bonus Coupon Observation Date	Please refer to page 14
Coupon Payment Dates	Please refer to page 14
Calculation Agent	Mediobanca

**WARNING: If Mediobanca as Bond issuer were to default, you could lose some or all of your investment and your investment return.**

## What is the Euro Stoxx 50?

The Index, Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of super sector leaders in the region. The index covers 50 stocks from 11 Eurozone countries. The Index is licensed to financial institutions to serve as an underlying for a wide range of investment products such as exchange-traded funds (ETFs), futures, options and structured products.

### Performance



Source Bloomberg: 09/08/2021

**WARNING: Past performance is not a reliable guide to future performance.  
The value of investments may go down as well as up.**

## Back-testing

In order to demonstrate how the Bond would have performed had it been purchased at different points over the past 30 years, the performance has been back tested over each of the last 10-year time periods from 9 August 1991 to 9 August 2021. The parameters of the Bond have been applied in the back-test to determine what would have been the average annual coupon payable in each of the 10-year time periods.

Months	Average Annual Coupon	Average Cumulative Coupon
12	0.60%	0.60%
24	0.63%	1.24%
36	0.50%	1.74%
48	0.50%	2.24%
60	0.50%	2.74%
72	0.50%	3.24%
84	0.50%	3.74%
96	0.50%	4.24%
108	0.50%	4.74%
120	0.50%	5.24%

Bonus Coupons Paid	Number of Simulations	Percentage of Total Simulations
0.00%	904	17.5%
0.20%	2,406	46.7%
0.40%	1,842	35.8%

Source: Bloomberg, data period 09/08/1991– 09/08/2021

**WARNING: These figures are rounded to two decimal places and are estimates only. Simulated past performance is not a reliable guide to future performance.**



## Investment Summary

Mediobanca	
Years 1-2	Fixed coupon of 0.50% per annum, plus a potential bonus coupon of 0.20%.
Years 3-10	Fixed coupon of 0.50%.
Minimum Total Return	5.00%
Maximum Total Return	5.40%

**WARNING: The return of your capital protected amount at the Final Maturity Date, as well as the Investment Return, will be dependent on the solvency of Mediobanca as Issuer, if Mediobanca were to default you will lose some or all of your investment.**

**WARNING: Should you chose to cash in your investment at any point before the Final Maturity Date, the 100% capital protection will not apply and you may get back significantly less than you invest.**

## Costs and Charges

Important Notes in Relation to Fees
100% of your investment is allocated to the Bond.
Overall indicative fee up to 1.90% is correct as at the 6 August 2021.
Of the above fee, IDAD aims to receive 0.45% for literature production and distribution of the Bond. This fee is reflected in the terms of the investment.
Of the above fee, Cantor Fitzgerald Ireland Ltd aims to receive a fee of 1.45% for marketing and introducing Credit Unions in relation to the Bond. This fee is reflected in the terms of the investment.
An early sale fee applies where you have sold prior to the Final Maturity Date or outside of an Observation Date.

## Illustrative Example of Costs & Charges

Narrative	%	€
Total amount invested	100%	€100,000
Overall indicative fee	1.90%	€1,900
Early sale fee	1.00%	€1,000

## About Mediobanca

Mediobanca Banca di Credito Finanziario S.p.A., the Issuer of the Bond, was established in 1946 to support post-war reconstruction in Italy, and it has been interpreting the country's needs ever since. The bank is incorporated in Italy, is authorised and supervised by Bank of Italy and Consob and subject to limited regulation in the UK by the Financial Conduct Authority, and has been listed on the Milan Stock exchange since 1956.

Mediobanca has a rich heritage in innovation as it created Italy's first consumer credit lender, its first digital bank and its first full-service platform for business owners' corporate banking and personal wealth management needs, the result of synergies between corporate banking and private banking expertise.

Today, Mediobanca is structured into four divisions covering Wealth Management, Corporate & Investment Banking, Principal Investing and Consumer Banking, and the bank employs over 4,900 people worldwide with international offices in London, Paris, Luxembourg, Madrid and New York.

Credit Ratings	Moody's	S&P	Fitch
Mediobanca Banca di Credito Finanziario S.p.A.	Baa1	BBB	BBB-

Source: Mediobanca 09/08/2021

**WARNING: If Mediobanca were to default you will lose some or all of your investment and your investment return.**

## About IDAD

IDAD was established in 2002 and has grown to become a recognised leader in structured investments in the UK and around the world. The firm can boast a long track record of delivering investments that are transparent and that offer attractive returns for investors.

Investment professionals trust IDAD as their preferred, independent provider for structured products, and the business also offers traditional investment strategies through 8AM Global, a UK-based asset manager.

IDAD has a highly-experienced and well-qualified team based in the UK and internationally, with wide-ranging expertise across the banking, investment management and insurance sectors. While modern communications technology is fully utilised, IDAD firmly believes in the value of face-to-face meetings and the development of personal relationships, and the business works hard to deliver in-region support.



## What do the credit rating letters mean?

A credit rating is an evaluation of the credit worthiness of a debtor. The evaluation is made by a credit rating agency of the debtor's ability to pay back the debt and the likelihood of default. The credit rating represents the credit rating agency's evaluation of qualitative and quantitative information for a company or government; including information obtained by the credit rating agencies' analysts.

Each credit ratings agency uses its own individual methodology for measuring creditworthiness and these can change with changes in the economy, business environment or when more narrowly focused on issues affecting a specific industry, country or individual debt issue. Credit ratings are used by bond buyers to determine the likelihood that the issuer will repay its bond obligations. The table below defines what the credit ratings from each agency actually mean.

Credit Risk	Moody's	S&P	Fitch
<b>Investment Grade</b>			
Highest Quality	Aaa	AAA	AAA
High Quality (Very Strong)	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
Upper Medium Grade (Strong)	A1	A+	A+
	A2	A	A
	A3	A-	A-
Medium Grade	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
<b>Below Investment Grade</b>			
Lower Medium Grade (Speculative)	Ba1	BB+	BB+
	Ba2	BB	BB
	Ba3	BB-	BB-
Low Grade (Highly Speculative)	B1	B+	B+
	B2	B	B
	B3	B-	B-
Poor Quality (May Default)	Caa1	CCC+	CCC+
	Caa2	CCC	CCC
	Caa3	CCC-	CCC-
Most Speculative	Ca	CC	CC
No Interest Being Paid/Bankruptcy	C	C+,C,C-	C+,C,C-
In Default	D	D	D

Source: Moody's, S&P and Fitch, 09/08/2021

**WARNING: If Mediobanca were to default you could lose some of all of your investment and your investment return.**

## Key factors when considering if this investment is right for you

We recommend that you consider these important points when considering the suitability of this product as an investment option for you. This brochure is for information purposes only and does not constitute investment advice.

- ✓ You are interested in a 10-year investment which pays fixed coupons for the term plus potential bonus coupons in years 1 and 2.
- ✓ You want an investment with 100% capital protection at maturity provided by Mediobanca .
- ✓ You are looking for an investment with good income potential, but have an understanding of the associated risks, or have received advice on the risks of this product where required by you.
- ✓ You are a Credit Union with a minimum of €100,000 to invest.
- ✓ You have read and understand the risks associated with this product as detailed on pages 11 - 13.
- ✓ You understand your funds will be invested for a period of 10 years and you are comfortable to invest for this time period.
- ✓ You understand that if the Index is consistently low this will reduce the potential returns achievable from the Bond.
- ✓ You have sufficient cash reserves to meet your short to medium term needs as you may not have access to your funds for the 10-year investment period.
- ✓ You are prepared to risk some or all of your Investment if Mediobanca experiences a default on bonds during the investment term.

It is important for all investors to consider a number of factors before making an investment into this product. Some of the factors which should be considered as part of this process are outlined below:

1. Your attitude to financial risk.
2. The percentage of your portfolio you intend to invest in this product.
3. The investment strategy of your existing portfolio.
4. Your ability to invest a certain percentage of your portfolio in a fixed term product.

This product should only be considered as an investment which forms part of your overall investment portfolio. We note however that each client's financial position is unique and recommend where required that you seek financial advice to ensure the percentage of your portfolio invested in this product is tailored to your specific circumstances.

**WARNING: If Mediobanca were to default you could lose some of all of your investment and your investment return.**

## What risks should be considered before investing?

### Counterparty risk:

- By investing in this Bond you take a credit risk to Mediobanca in its capacity as the Bond issuer. In the case of a default by the bank, investors have a claim to the Issuer on the residual amount (if any) up to the nominal value of the Bond. If the profitability of the Issuer declines in future years, it could potentially result in credit ratings downgrades of the bank.

### Return of capital at Final Maturity Date:

- 100% of investors' capital is returned at the Final Maturity Date. The 100% capital protection is provided by the Issuer at the Final Maturity Date only. Investment returns are added to the 100% capital protected amount.

**WARNING: If you cash in your investment before the Final Maturity Date you may lose some or all of the money you invest.**

### Market risks:

- There is a risk that the value of the Bond may fall if interest rates rise.
- There is a risk that the Issuer may have their credit rating downgraded by one or more of the rating agencies, which could impact on the value of the Bond or a risk that the Issuer may not be in a position to meet their commitments.
- The investment may result in an opportunity cost as interest rates may increase, leading to other assets offering a higher return in the future.
- Inflation may occur over the term of your investment and if the returns on your investment are lower than the rate of inflation this will reduce what you could buy in the future.

### Liquidity risks:

- The Issuer may at its discretion allow for early redemptions of the Bond during the investment term. However, certain exceptional market circumstances may have a negative effect on the liquidity of the Bonds, and even render the Bonds entirely illiquid, which may make it impossible to sell Bonds before the Final Maturity Date and could result in a loss of the capital invested. **The 100% capital protection provided by the Issuer applies at the Final Maturity Date only. It is envisaged that investors will hold the Bond for the full 10-year term and all investors should consider the term before investing.**
- Prior to the Final Maturity Date, the value of the Bond may be lower than the original investment amount. As a consequence, the investor may lose part or the entire invested amount if the Bond is sold before the Final Maturity Date.

### No recourse to any compensation scheme (or similar):

- In the event of a default by the Issuer, your investment will not be covered by any compensation schemes.

### Risk of product withdrawal:

- If the volume of funds raised for the Bond is insufficient to proceed, or exceeds any pre hedged amounts, or in the event of extreme market volatility, IDAD, at its sole discretion and without notice, may withdraw the product.

**WARNING: If you invest in this product you may not have access to your money for 10 years.**  
**WARNING: This investment is a complex investment product and may be difficult to understand. Investors should not invest in this product without having sufficient knowledge, experience and professional advice from their Financial Broker to make a meaningful evaluation of the merits and risks of investing in a product of this type, and the information contained in this document and the Base Prospectus.**

**Hedging risk:**

- After the receipt of a completed application form or an instruction to invest, any investor or potential investor who then subsequently decides not to proceed with, or to withdraw from the investment for any reason whatsoever, either before or after the Issue date, may then be entirely liable for any hedging costs, breakage costs or bid offer spreads which were incurred by IDAD in unwinding the position for the investor.

**Early Redemption Risk:**

- Prior to the Final Maturity Date, the value of the Bond may be lower than the original investment amount. As a consequence, the investor may lose part or the entire invested amount if the Bond is redeemed before the Final Maturity Date.

**Risk regarding deductions during the life of the Bond:**

- Deductions for charges and expenses are not made uniformly throughout the life of the Bond, but are loaded disproportionately onto the early period. If an investor sells the Bond prior to the end of the 10-year term, the practice of front-end loading and any applicable early exit charges during the investment term will impact on the amount of money that the investor receives. The investor may not get back the full amount they invested.

**Some additional risks that prospective investors should consider are as follows:**

- The Issuer's business could be affected if its capital is not effectively managed (capital adequacy risk).
- The financial problems faced by the Issuer's customers could adversely affect the bank. Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in bank operations.
- The Issuer is exposed to risks faced by other financial institutions. Defaults by, and even rumours or questions about the solvency of, certain financial institutions and the financial services industry generally have led to market-wide liquidity problems and could lead to losses or defaults by other institutions.
- Market risks associated with fluctuations in bond and equity prices and other market factors are inherent in the Issuer's business.
- Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and leading to material losses.
- Increased competition in the countries where the Issuer operates may adversely affect the Issuer's growth prospects and operations.
- Changes in interest rates may negatively affect the Issuer's business.
- Operational risk is inherent in the Issuer's business. Operational risk includes the risk of loss arising from inadequate or failed internal processes, personnel and internal systems or from unforeseen external events, including legal risk.
- Credit, market and liquidity risks may have an adverse effect on the Issuer's credit ratings and the Issuer's cost of funds.
- Any reduction in the Issuer's credit rating could increase the Issuer's cost of funding and adversely affect the Issuer's interest margins.
- The Issuer has a continuous demand for liquidity to fund its business activities. The Issuer may suffer during periods of market-wide or firm-specific liquidity constraints, and liquidity may not be available to it even if its underlying business remains strong.
- Withdrawals of deposits or other sources of liquidity may make it more difficult or costly for the Issuer to fund its business on favourable terms.

**WARNING: Should you choose to cash in your investment at any point before the Final Maturity Date, the 100% capital protection will not apply and you may get back significantly less than you invest.**

- The Issuer's business could also be significantly affected by a failure to monitor concentration and spread of risks.
- The Issuer is subject to substantial regulation, and regulatory and governmental oversight. Adverse regulatory developments or changes in government policy could have a material adverse effect on its business, results of operations and financial condition.
- Mediobanca is licensed as a credit institution in Italy and, as such, is subject to the resolution regime introduced by the EU Bank Recovery and Resolution Directive n. 59 of 15 May 2014 as implemented in Italy (the "BRRD"). As a result of the implementation of BRRD, investors may be subject to write-down, with the possibility of the nominal value of the financial instruments being cancelled, or conversion into equity on any application of the bail-in tool. Therefore, through the exercise of any power under the BRRD, investors may suffer the write-down, cancellation or conversion into equity, on a permanent basis, of their investment, even if there is no formal declaration of insolvency by the Issuer.
- The Issuer is exposed to risk of loss from legal and regulatory claims.
- There may be risks relating to the Issuer arising from applicable legislation and regulation.
- In addition to existing financial taxes, there can be no assurance that additional national or transnational bank levies or financial transaction taxes will not be adopted by the authorities of the jurisdictions where the Issuer operates.
- Steps taken towards achieving an EU fiscal and banking union may pose a risk.
- Claims of investors under the Bonds are effectively junior to those of certain other creditors.
- There is a risk related to reliance on Euroclear and Clearstream, Luxembourg procedures.
- There may be potential conflicts of interest between the Calculation Agent and investors.
- Credit ratings assigned to the Issuer may not reflect all the risks associated with an investment in the Bond.

**WARNING: If Mediobanca were to default you could lose some of all of your investment and your investment return.**



## Terms and Conditions

**1. Definitions:** The following definitions apply to these Terms and Conditions and the contents of this brochure:

**'Account'** means a Cantor Fitzgerald Ireland Ltd. Client Account in which your funds are administered for the term of your investment.

**'Bond'** means the IDAD/Mediobanca 10-Year Senior Preferred Bond.

**'Bonus Coupon'** means a coupon that is payable on the relevant Bonus Coupon Payment Date if the Index is greater than its initial level on the relevant Bonus Coupon Observation Date.

**'Bonus Coupon Observation Dates':** 22 September 2022 and 22 September 2023.

**'Bonus Coupon Payment Dates':** 29 September 2022 and 29 September 2023.

**'Business Day Convention':** Modified Following.

**'Calculation Agent':** Issuer

**'Cantor Fitzgerald Ireland'** means Cantor Fitzgerald Ireland Ltd., its successors, assigns and transferees. Cantor Fitzgerald Ireland Ltd., is regulated by the Central Bank of Ireland. Cantor Fitzgerald Ireland Ltd. is a member of the Irish Stock Exchange and the London Stock Exchange.

**'Change in Law'** means any change in any law or regulation (including tax law) occurs or there is a change in the interpretation by the courts or regulator or similar authority of any such law that, in the view of the Issuer, would make it illegal for the Issuer to hold hedge positions related to the Bond.

**'Closing Date':** 17 September 2021

**'Currency':** EUR.

**'Custodian'** means Pershing Securities International, a subsidiary company of the Bank of New York Mellon, its successors, assigns and transferees.

**'Day Count Fraction':** 30/360.

**'Final Maturity/Redemption Date':** 29 September 2031

**'Final Valuation Date/Redemption Valuation Date':** 22 September 2029.

**'Financial Advisor'** means the Introducer or a regulated firm that is authorised by the Central Bank of Ireland to give investment advice and which is an appointed agent of the Introducer.

**'Final Terms'** means the final terms of the Bond produced by the Issuer.

**'Fixed Coupon':** 0.50%

**'Fixed Coupon Payment Dates':** 29 September 2022, 29 September 2023, 30 September 2024, 29 September 2025, 29 September 2026, 29 September 2027, 29 September 2028, 28 September 2029, 30 September 2030 and the Final Maturity Date.

**IDAD'** means IDAD Ltd., its successors, assigns and transferees. IDAD is regulated by the UK Financial Conduct Authority FRN 740499 with permission from the Central Bank of Ireland to passport into the Republic of Ireland.

**'Index'** means the Euro Stoxx 50 index (Bloomberg ticker: SX5E Index) or any successor index.

**'Interest Period'** means from, and including, each Interest Period End Date (or if none, the Issue Date), to and excluding, the next following Interest Period End Date.

**'Introducer'** means Cantor Fitzgerald Ireland.

**'Investment Return'** shall mean the investment return payable in respect of the Bond in accordance with Clause 5 Returns.

**'ISIN Code':** TBD

**'Issue Date':** 29 September 2021

**'Issuer':** means Mediobanca Banca di Credito Finanziario S.p.A.

**'Listing':** Euronext Dublin

**'Market Disruption Event':** means: (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.

**'Payment Business Days':** Target 2. 'Target 2' is the real-time gross settlement system for the Eurozone, and is available to non-Eurozone countries. It was developed by and is owned by the Eurosystem. TARGET2 is based on an integrated central technical infrastructure, called the Single Shared Platform operated by three providing central banks: France, Germany and Italy and is promoted by the European Central Bank.

**'Return'** means the gross return calculated in accordance with Clause 5.

**'Start Date'** means 17 September 2021.

**'Term'** means the time period from and including the Issue Date to the Final Maturity Date.

**'You/your'** means the person(s) (natural or corporate) investing money in the Bond in accordance with these Terms and Conditions and includes their successors.

**2. Availability:**

a) The Bond is available to Credit Unions only. The minimum investment is €100,000.

b) The closing date for applications is 17 September 2021 or earlier if fully subscribed. IDAD and the Introducer 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. Applications may not be accepted after the closing date.

c) All payments in relation to the Bond will be denominated in Euro. Cash cannot be accepted in any circumstances.

d) No interest will be paid to you in the period up to the Start Date.

e) IDAD reserves the right to close the offer of the Bond at any time prior to the Closing Date. Prior to submitting your application, please confirm with the Introducer or your Financial Advisor that the Bond is still available.

**3. Documentation Requirements:**

You will need to complete the attached application form in full. Please refer to the checklist at the back of this brochure for a full list of the documents required.

**4. Your Investment:**

Your investment will be initially lodged to your Account and your funds will be held by the Custodian in an individual account in the name of the investor. On the Issue Date the funds will be paid to the Issuer in exchange for the Bond. At the Final Maturity Date or relevant Early Redemption Date, the Bond will be redeemed by the Issuer. At the Final Maturity Date funds will be transferred back to your Account and will be held in custody for investors by the Custodian.

**5. Returns:**

On the Final Maturity Date, the Issuer shall redeem each security at 100% of the initial investment.

The annual returns payable to investors are as detailed below:

- The Bond pays a fixed annual coupon in years 1-10 of 0.50%.
- The Bond will pay a bonus coupon in years 1-2 of 0.20% if the Index is greater than its initial strike price on the Start Date.

**WARNING: These figures are examples only and are not a reliable guide to future performance. The value of your investment may go down as well as up.**

This Bond is in the form of security issued by the Issuer. If the Issuer defaults on their obligations you will lose some or even all of the capital invested and any Investment Return.

**5. Withdrawals**

Your investment in the Bond may be held for the maximum term. If you need to cash in your investment early, IDAD and the Introducer will endeavour to facilitate your request; however, we cannot guarantee what its value will be at that point and it may be less than you originally invested. You will receive the value of your investment in accordance with the prevailing market rate at that time, less any associated selling costs. The Introducer may impose a fee of up to 1% to process early sales.

The Introducer would need to receive an instruction from you in writing to process the early sale of your investment. No withdrawals may be made without IDAD's, the Introducer's and or the Issuer's consent prior to the Final Maturity Date. Such consent will be given entirely at IDAD's, the Introducer's and the Issuer's discretion. If you do require access to your investment before the Final Maturity Date, you will only receive the then present value of your investment less any applicable fees, which may be less than the original investment.

#### 7. Liquidity Risk

It is not possible to predict the price at which the Bonds will trade in the secondary market. The trading market for the Bonds may be volatile and may be adversely impacted by many events. An active trading market for the Bonds may not develop. The Issuer may, but is not obliged, at any time purchase Bonds in the open market. Any Bonds so purchased may be resold or surrendered for cancellation. To the extent the Bonds are cancelled the number of Bonds outstanding will decrease resulting in diminished liquidity for the remaining Bonds. A decrease in the liquidity of the Bonds may cause, in turn, an increase in the volatility associated with the price of the Bonds. There may be no secondary market for the Bonds and to the extent that such secondary market becomes illiquid, Bondholders may have to wait until redemption of the Bonds to realise greater value than their then trading value.

#### 8. Unpredictable Market Value

The market value of, and expected return on, the Bonds may be influenced by a number of factors, some or all of which may be unpredictable (and which may offset or magnify each other), such as (i) supply and demand for the Bonds, (ii) the development of any underlying (iii) economic, financial, political and regulatory or judicial events that affect the Issuer, any underlying or financial markets generally, (iv) interest and yield rates in the markets generally, (v) the time remaining until the Final Maturity Date and (vi) the creditworthiness of the Issuer. Such factors may mean that the trading price of the Bond is below the nominal amount. In the secondary market a bid/ask spread will generally apply.

#### 9. Tax

Your investment in the Bond is held in the form of a security issued by the Issuer. All annual coupon payments will be returned by the Issuer to your Account gross of tax. Tax rates and legislation could change in the future and maybe applied retrospectively. This is a general guide only. It is important that you consult your tax advisors concerning any possible taxation and other consequences of making an investment in this bond. IDAD and the Introducer are not tax advisors and are not offering any tax advice on this product. Any gains made by non-taxable investors may be free of tax. If you are unsure of your tax status or require further information, please contact your local tax office and/or refer to the Revenue Commissioners website [www.Revenue.ie](http://www.Revenue.ie).

**WARNING: This is based on our understanding of current tax law and practice which is subject to change without notice in both Ireland and the UK. This information represents our understanding of the taxation treatment of the Bond but does not constitute tax advice and investors should not place any reliance on the content herein. Investors should satisfy themselves independently of the taxation treatment of the Bond, in relation to Revenue reporting requirements and implications for nondisclosure in their own personal circumstances.**

#### 10. Maturity

If the Bond has not previously been sold early the proceeds of your investment will be paid shortly after the Final Maturity Date. On the Final Maturity Date, funds representing the appropriate return of your capital, together with any Final Interest Coupon, will be transferred back to your Account and will be held in custody for investors by the Custodian in an individual account in your name, as arranged by the Introducer.

#### 11. Variation

IDAD reserves the right to amend these Terms and Conditions, subject to the written consent of the Issuer, during the Term of the Bond if there is a material, legal, tax or regulatory change affecting these Terms and Conditions. IDAD, the Introducer and/or your financial advisor will notify you of any changes at least 30 days in advance of changes taking effect.

#### 12. Fees

IDAD and the Introducer will both receive a fee in relation to this Bond. This fee is reflected in the terms of the investment.

#### 13. Confidentiality

IDAD and the Introducer will not disclose details of your investment or your name and address to anyone else, other than to any confidentially appointed agents acting on their behalf or where:

- They are permitted or compelled by law to do so.
- Disclosure is made at your request and with your consent.
- There is a duty to the public to disclose.
- Their legitimate interests require disclosure.

#### 14. Adjustment Events

Should any Market Disruption Event or Change in Law (each an 'Adjustment Event') occur during the Term, IDAD shall be entitled, after consultation with the Introducer and the Issuer and at its absolute discretion, (i) to change the Index; (ii) to unwind the Bond at the then current market value; (iii) to suspend operations of the Bond during any period in which such event continues and thereafter until the end of the Term; (iv) to adjust any relevant terms of the Bond to preserve the economic equivalent of your investment prior to the occurrence of such Adjustment Event; or (v) to adjust the values used in the calculation of the Investment Return as it deems appropriate, having regard to the Adjustment Event in question. As a result of any such Adjustment Event, the Investment Return (if any) may be lower. In the event of a suspension of the Bond, the Issuer shall arrange for the investment accrued to be held on terms to be agreed between IDAD, the Introducer and the Issuer at their absolute discretion. IDAD will notify the investors of the occurrence of any such event in such manner as IDAD deems appropriate. IDAD, the Introducer and the Issuer, or their agent(s) shall not be liable for any loss howsoever suffered by the investor if there is any total or partial failure of performance resulting from any such Adjustment Event or any other causes beyond the control of the Introducer, the Issuer or their agent(s).

#### 15. Information

These Terms & Conditions represent the terms of your investment in the Bond. You acknowledge that your application is made on the basis of and is subject to, these Terms & Conditions and the attached brochure and that you have not relied on any representations or other information (whether oral or written) other than as set forth herein.

All information that is supplied to you and all communications with you will be in English. The information contained in this brochure is correct at the date sent to you.

Your investment in the Bond is based on the information contained in the Final Terms of the Bonds.

#### 16. Jurisdiction

The Terms and Conditions shall be governed by and construed in accordance with the laws of Ireland and the Courts of Ireland shall have exclusive jurisdiction to resolve any disputes in connection with these Terms and Conditions.

#### 17. Unforeseen Events

- a) IDAD reserves the right not to proceed, for whatever reason, with this Bond.
- b) Neither IDAD, the Introducer, the Issuer or its agent(s) will be liable for any loss you may suffer if either party or its agent(s) is prevented from providing services to you as a result of industrial action or other cause beyond the reasonable control of either party or its agent(s).

#### 18. Hedging:

If the volume of funds raised for the Bond is insufficient to proceed, or exceeds any pre hedged amounts, or in the event of extreme market volatility, IDAD at its sole discretion and without notice, may withdraw the Bond.

After the receipt of a completed application form or an instruction to invest in the Bond, any investor or potential investor who then subsequently decides not to proceed with, or to withdraw from the investment for any reason whatsoever, either before or after the Issue Date, may then be entirely liable for any hedging costs, breakage costs or bid offer spreads which were incurred in unwinding the position for the investor.

### 19. Confirmation of Identity

In order to comply with the provisions of the Criminal Justice (Money Laundering & Terrorist Financing) Act 2010 & Criminal Justice Amendment Act 2013, clients must provide the Introducer with the required documentation as detailed on the 'Checklist for Investors' at the end of this brochure.

### 20. Disclaimer

Not all investments are necessarily suitable for all investors and IDAD recommend that specific advice should always be sought prior to investment, based on the particular circumstances of the investor. This document has been prepared in order to assist investors to make their own investment decisions and is not intended to and does not constitute personal recommendations. Specifically the information contained in this document should not be taken as an offer or solicitation of investment advice. Not all investments are necessarily suitable for all investors, IDAD recommend that specific advice should always be sought prior to investment, based on the particular circumstances of the investor. Potential investors should note that in purchasing any product described in this document, you will be purchasing from IDAD as principal and not as agent for the Issuer or any of its affiliates. You therefore will not have any contract with, or recourse to, the Issuer or its affiliates. Potential investors should also note that this document is the sole responsibility of IDAD and that the Issuer 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. The Issuer 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.

Any questions relating to the Account or the Custodian should be directed to the Introducer.

#### Index Disclaimer

IDAD and the Issuer shall not have any liability for any act or failure to act by an Index Sponsor in connection with the calculation, adjustment or maintenance of an Index. Except as disclosed prior to the Issue Date, neither IDAD or the Issuer, has any affiliation with or control over an Index or Index Sponsor or any control over the computation, composition or dissemination of an Index. Although the Calculation Agent will obtain information concerning an Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by IDAD, the Introducer, the Issuer or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning an Index.

#### EURO STOXX 50® Index

STOXX Limited, Deutsche Börse Group and their licensors, research partners or data providers have no relationship to the Issuer, other than the licensing of the EURO STOXX 50® Index and the related trademarks for use in connection with the Securities.

#### STOXX, Deutsche Börse Group and their licensors, research partners or data providers do not:

- Sponsor, endorse, sell or promote the Bonds.
- Recommend that any person invest in these securities or any other securities.
- Have any responsibility or liability for or make any decisions about the timing, amount or pricing of Bonds.
- Have any responsibility or liability for the administration, management or marketing of the Bonds.
- Consider the needs of the securities or the owners of the Bonds in determining, composing or calculating the EURO STOXX 50® Index or have any obligation to do so.

**STOXX, Deutsche Börse Group and their licensors, research partners or data providers give no warranty, and exclude any liability (whether in negligence or otherwise), in connection with the Bonds or their performance.**

STOXX does not assume any contractual relationship with the purchasers of the Bonds or any other third parties.

#### Specifically:

STOXX, Deutsche Börse Group and their licensors, research partners or data providers do not give any warranty, express or implied, and exclude any liability about:

- The results to be obtained by the Bonds, the owner of the Bonds or any other person in connection with the use of the EURO STOXX 50® Index and the data included in the EURO STOXX 50® Index.
- The accuracy, timeliness, and completeness of the EURO STOXX 50® Index and its data.
- The merchantability and the fitness for a particular purpose or use of the EURO STOXX 50® Index and its data.
- The performance of the Bonds generally.

STOXX, Deutsche Börse Group and their licensors, research partners or data providers give no warranty and exclude any liability, for any errors, omissions or interruptions in the EURO STOXX 50® Index or its data.

Under no circumstances will STOXX, Deutsche Börse Group or their licensors, research partners or data providers be liable (whether in negligence or otherwise) for any lost profits or indirect, punitive, special or consequential damages or losses, arising as a result of such errors, omissions or interruptions in the EURO STOXX 50® Index or its data or generally in relation to the Notes, even in circumstances where STOXX, Deutsche Börse Group or their licensors, research partners or data providers are aware that such loss or damage may occur.

The licensing Agreement between the Issuer and STOXX is solely for their benefit and not for the benefit of the owners of the Bonds or any other third parties.

#### Complaints Procedure

While IDAD aims to provide its customers with excellent service and products and to meet with customer expectations at all times, the company acknowledges that from time to time, customers may have reason to express dissatisfaction or make a complaint. Should you wish to make a complaint, please put your complaint in writing to the Head of Compliance, IDAD Limited, 2 Rotherbrook Court, Bedford Road, Petersfield, Hampshire. GU32 3QG You can if you wish refer your complaint to the Financial Services & Pensions Ombudsman ('FSPO'). The principal function of the FSPO is to deal with complaints by mediation and, where necessary, by investigation and adjudication. The FSPO will only accept a complaint from a consumer where the Complainant has already communicated the substance of the complaint to the Financial Services Provider and the Financial Service Provider has been given a reasonable opportunity to deal with the complaint. A Complainant is requested to go through the the Introducer complaint handling process prior to submitting a complaint to the FSPO and must receive a final response from Cantor. If you meet the criteria as set out by the Financial Services & Pensions Ombudsman the FSPO contact details are below:

Financial Services Ombudsman's Bureau  
3rd Floor, Lincoln House, Lincoln Place, Dublin 2.

Lo Call: 1890 88 20 90;

Telephone (01) 6620899; Fax (01) 6620890.

E-mail: info@fspo.ie

#### Conflict:

In the event of any conflict or disagreement between these Conditions, any term sheet and/or confirmation, the final terms of the Bond shall prevail.



## Checklist for Investors

### Credit Unions:

- Please complete the attached application form in full.
- If the Credit Union does not have an existing account with Cantor Fitzgerald Ireland a Cantor Fitzgerald Ireland Credit Union Account Opening Application will also be required.
- Please include a copy of the Credit Union Annual Report with the account opening document.
- Please include a list of current Directors on Credit Union headed paper or confirm that there is no change to the Directors listed in the Annual Accounts.
- Confirm with Cantor Fitzgerald the date of funds transfer and use the transfer reference CANTOR and your CREDIT UNION NAME.
- Please include your LEI number (Legal Entity Identifier) on the Application Form.

### Lodging Funds:

Please note all funds are to be lodged to Cantor Fitzgerald Ireland prior to the closing date of 17 September 2021. Where funds are not received by Cantor Fitzgerald on or before the 17 September 2021, your investment in this bond may not proceed.

## Application Form Please complete all sections in full.

### Please complete all sections in BLOCK CAPITALS.

Please note that by signing this Application Form, you are confirming that you have read and understood the material in this Brochure and the Terms and Conditions. If you are unclear about any of the information presented in this Brochure or about this investment, please seek further advice before completing this Application Form. Please return completed form along with your Bank Transfer (Relevant Bank details are below). Prior to any transaction being entered into, a completed Application Form, together with the relevant documentation as specified in 'Terms and Conditions' and the 'Checklist for Investors' must be received.

My Cantor Account Number is:  OR we are setting up a new Cantor Fitzgerald Ireland Ltd. account and will complete relevant account opening form and submit it with this application:

I/We hereby apply for the IDAD/Mediobanca 10-Year Senior Preferred Bond (Issue 3):

Credit Union Name:

Registered Number:  LEI Number (Legal Entity Identifier):

Address:

Primary Contact Name:

Second Contact Name:

Contact No:  Mobile:

Email:

Bank Details for repayments: A/c Name:

IBAN:  BIC:

Investment amount in the IDAD/Mediobanca 10-Year Senior Preferred Bond (Issue 3): €  (Denom. €100,000).

I/We are investing by Electronic Funds Transfer:

Please lodge all funds with Cantor Fitzgerald on or before the closing date of 17 September 2021.

**Please use the Cantor Fitzgerald Bank details below for any Electronic Fund Transfers. Please also ensure to give the Credit Union name as a reference with the transfer:**

**Bank Name:** Ulster Bank

**Account Name:** Pershing Securities International Limited Client Asset Account - Hub Account

**Sort Code:** 98-50-10

**Account No:** 31911845

**SWIFT Code:** ULSBIE2D

**IBAN:** IE72ULSB98501031911845

**Reference:** Client Name & A/c Number. (All transfers must include client name and Cantor A/c number as a reference).

**Declaration:** We declare that: i. The details contained in this product application form are correct. ii. We understand and accept the terms and conditions of the bond as set out in this brochure and those which govern our account with Cantor Fitzgerald Ireland Ltd. ('Cantor'). iii. We possess the experience, knowledge and expertise to make investment decisions and properly assess the risks incurred. iv. This investment is consistent with our investment objectives.

We understand that the investment in the bond will not be deemed to have been made until the application has been accepted by Cantor. If accepted, the bond will issue on 29 September 2021.

**Giving your consent:** By signing this application we are agreeing that Cantor Fitzgerald Ireland Ltd. may use our information in the way described in this form and in the associated Terms and Conditions.

Principal signature:  Date:

Second signature:  Date:

**NB Authorised Signatories must be the same as the Signatories on file with Cantor Fitzgerald Ireland Ltd.**

**Advisor declaration: (if applicable)** We confirm the following: This bond is consistent with the investor's investment objectives and risk appetite. We have complied with legislative requirements as set out under Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 & Criminal Justice Amendment Act 2013.

Advisor Firm Name:  Advisor Name:

Advisor Signature:  Date:

**WARNING: The value of your investment may go down as well as up. You may get back less than you invest.**



**For further information please contact IDAD at:**

London Office: 41 Lothbury, London, EC2R 7HG

Head Office: 2 Rotherbrook Court, Bedford Road, Petersfield, Hampshire, GU32 3QG

email: [enquiries@idad.com](mailto:enquiries@idad.com) telephone: **+44 (0)1730 779335** or visit our website [www.idad.com](http://www.idad.com)

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