MPC MARKETS

FIXED COUPON NOTE
ASX BLUE CHIPS

Fixed quarterly income
with a 60% maturity barrier



BHP, CBA, WES, CSL

11.30% p.a.

OCTOBER 2026

DISCLAIMER: WHOLESALE, PROFESSIONAL OR SOPHISTICATED INVESTORS ONLY

FIXED COUPON NOTE - ASX
BLUE CHIPS

STRATEGY FEATURES

Term
2 Years
Autocall from 6M

Coupon Rate
11.30% p.a.
Indicative pricing

Downside Barrier
60%
of initial price (–40%), at maturity

Coupon Freq.
Quarterly
$2,825 per $100,000

Strategy Profile

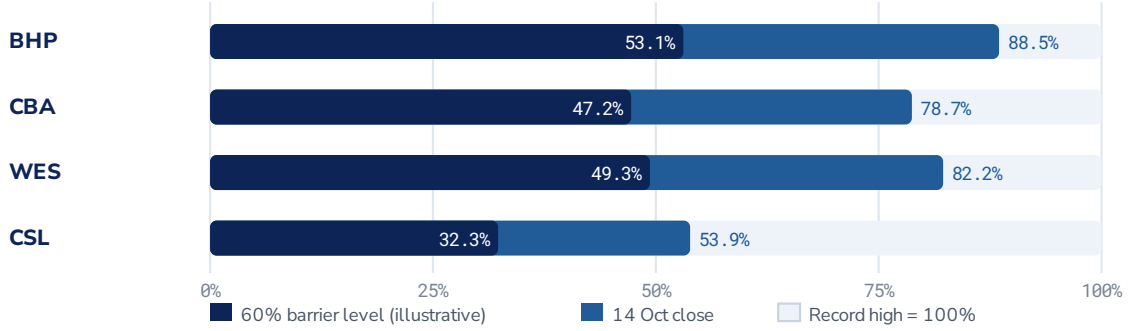
Fixed Coupon Note linked to a diversified basket of four established Australian companies across the resources, banking, retail and healthcare sectors: **BHP Group (BHP:ASX)**, **Commonwealth Bank (CBA:ASX)**, **Wesfarmers (WES:ASX)** and **CSL (CSL:ASX)**.

You receive a fixed coupon of 11.30% p.a.* paid in cash quarterly to your nominated bank account — $2,825 per $100,000 invested each quarter while the note is outstanding.

The shares do not need to rise. Each must finish at or above 60% of its initial price at scheduled maturity for full principal repayment. Different earnings drivers reduce dependence on a single industry, although the worst of the four stocks determines the capital outcome.

- **Term:** Up to 24 months, giving the reference assets time to recover from a company-specific or broader market fall. **This does not mean capital must be tied up for 2 years.** In normal markets investors may redeem early, subject to a 1% bid/ask spread and an exit price that depends on time remaining, share prices and volatility.
- **Auto-call:** From month 6, and quarterly thereafter, if all reference assets are at or above 100% of their initial prices, the note matures early, returning capital plus the coupon due. Early maturity stops future coupons.
- **Downside Barrier:** Set at 60% of each initial price (a 40% fall) and tested only at scheduled maturity. If every stock finishes at or above its barrier, capital is returned in full. If any finishes below, the loss is measured from the initial price of the worst performer, not just the amount below the barrier: a –50% outcome means a 50% capital loss.
- **Issuer:** Marex Financial (S&P BBB). Coupons and capital are subject to the issuer's credit risk.

Entry price and 60% barrier, as a % of each stock's record high



Reference asset	Sector	14 Oct close	Record high	Below high	60% barrier*
BHP Group (BHP:ASX)	Resources	A$60.86	A$68.77	11.5%	A$36.52
Commonwealth Bank (CBA:ASX)	Banking	A$151.17	A$192.00	21.3%	A$90.70
Wesfarmers (WES:ASX)	Retail / Diversified	A$78.26	A$95.18	17.8%	A$46.96
CSL Limited (CSL:ASX)	Healthcare	A$184.59	A$342.75	46.1%	A$110.75

*Indicative coupon, subject to market movements and issuer confirmation. Illustrative barriers use 14 October 2026 closes, not contractual fixings; record highs are published intraday highs in local listing currencies. Distance below a high is not a valuation or safety measure.

Watch the strategy video
Stropro Studio · short explainer

View the indicative term deck
mpcmarkets.com.au · PDF

BHP GROUP BHP:ASX

BHP Group BHP:ASX

BHP is one of the world's largest diversified resources companies, producing iron ore and copper from long-life assets in Australia and South America, alongside metallurgical coal and a developing potash business.

Role in the basket: BHP brings the resources leg of the basket: a large, cash-generative miner whose earnings depend on commodity prices rather than the domestic economy, giving the basket an earnings driver that differs from the bank and retail names.

REPORTED FINANCIALS

US$32.9bn	59%	US$9.8bn
FY26 underlying EBITDA	Underlying EBITDA margin	Attributable profit

The barrier case

Large operating earnings buffer, with copper and iron ore as the core earnings engines. A business of this scale and margin has substantial capacity to absorb weaker pricing before profitability is threatened.

What to watch

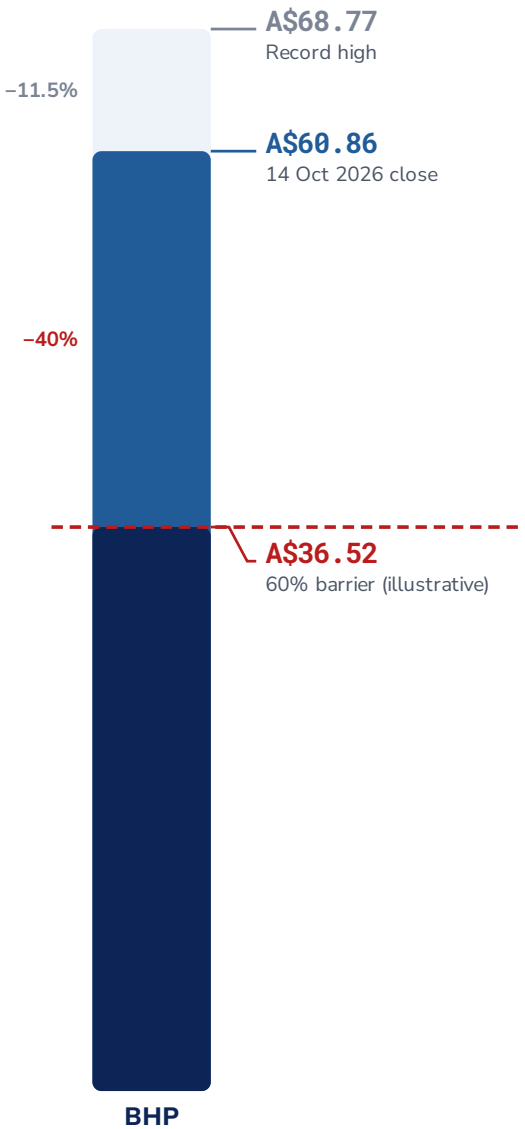
Commodity prices (iron ore and copper), operating cost inflation and project spending. A sustained commodity downturn is the main path to a large share-price fall.

We would reassess the note if...

there is a sustained commodity downturn, a sharp fall in iron ore or copper prices, or a material project cost overrun.

Entry snapshot

14 Oct 2026 close	A$60.86
Record high	A$68.77
Below record high	11.5%
Illustrative 60% barrier	A$36.52
Barrier vs record high	53.1%



Price ladder: record high, entry and illustrative barrier

Reported financials support the resilience case; they do not establish a probability of avoiding the barrier. Different reporting periods and margin definitions are not directly comparable. Illustrative barrier uses the 14 October close, not the contractual fixing. Refresh prices before use.

COMMONWEALTH BANK CBA:ASX

Commonwealth Bank CBA:ASX

Commonwealth Bank is Australia's largest bank, with leading positions in home lending, household deposits and business banking.

Role in the basket: CBA brings recurring banking earnings and a strong capital position. Its risk is less about the business than about the price: the shares trade at a premium valuation, so they can fall through valuation compression even if earnings remain positive.

REPORTED FINANCIALS

A$10.98bn	2.05%	12.0%
FY26 cash profit	Net interest margin	CET1 capital ratio

The barrier case

Recurring banking earnings and a capital base built to absorb losses. The illustrative barrier of A$90.70 is 52.8% below the record high of A$192.00.

What to watch

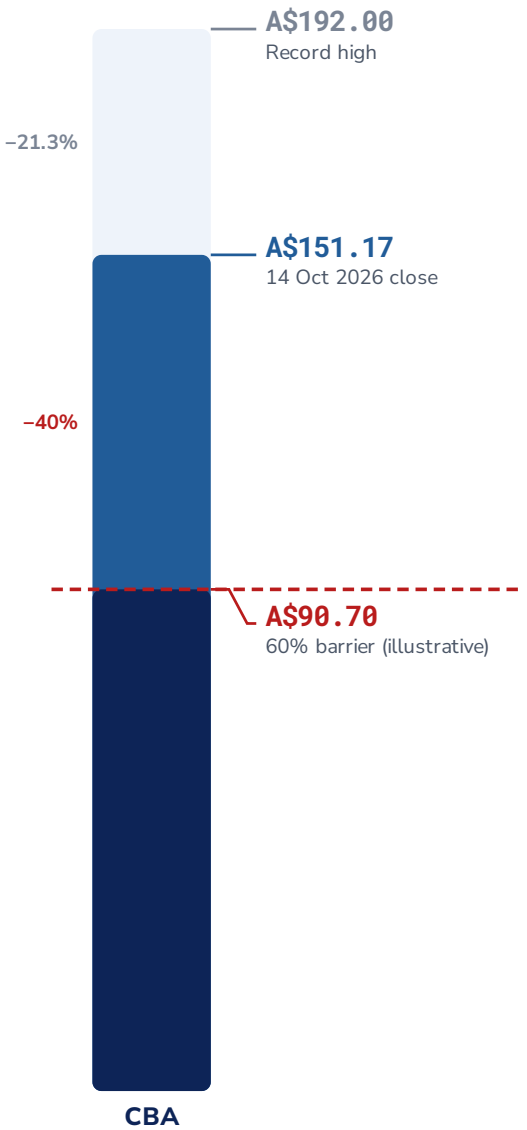
Mortgage stress and rising arrears, funding costs, capital pressure and valuation. Already 21.3% below its record high at entry.

We would reassess the note if...

arrears rise materially, capital comes under pressure, or funding costs squeeze margins.

Entry snapshot

14 Oct 2026 close	A$151.17
Record high	A$192.00
Below record high	21.3%
Illustrative 60% barrier	A$90.70
Barrier vs record high	47.2%



Price ladder: record high, entry and illustrative barrier

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WESFARMERS WES:ASX

Wesfarmers WES:ASX

Wesfarmers is a diversified Australian conglomerate whose earnings are anchored by Bunnings and Kmart Group, alongside Officeworks and its chemicals, energy, fertiliser and health businesses.

Role in the basket: Wesfarmers adds exposure to the Australian consumer through two of the country's strongest retail franchises, with conservative balance-sheet management.

REPORTED FINANCIALS

A$2.874bn	1.9×	17.8%
FY26 statutory NPAT	Debt / EBITDA (ex significant items)	Below record high at entry

The barrier case

Bunnings and Kmart franchises support earnings through the cycle, and moderate leverage leaves room to withstand a softer consumer environment.

What to watch

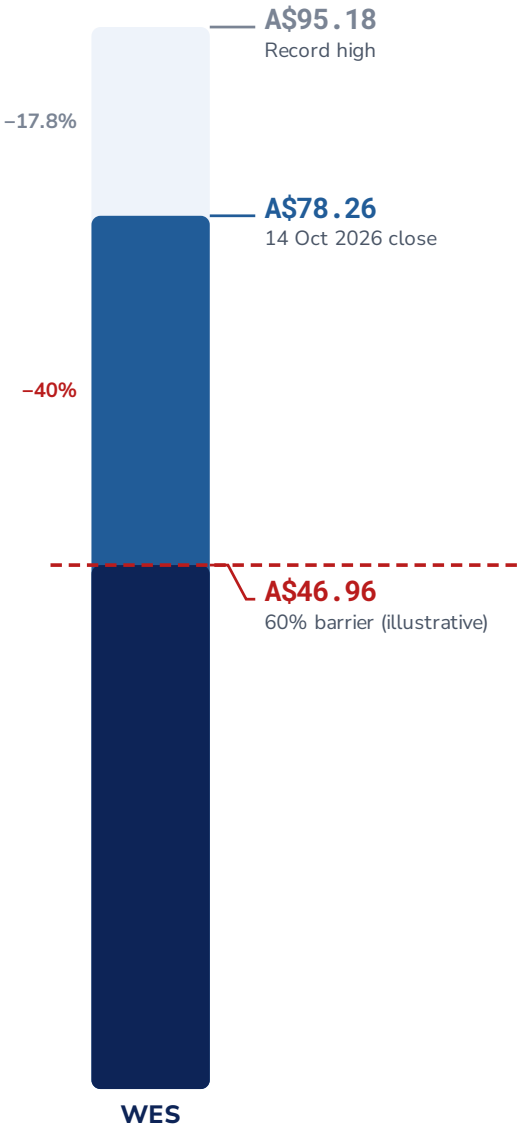
Consumer spending, retail margins and valuation multiples. Like CBA, Wesfarmers can de-rate on valuation without a deterioration in earnings.

We would reassess the note if...

retail margins weaken at Bunnings or Kmart, or consumer spending deteriorates sharply.

Entry snapshot

14 Oct 2026 close	A$78.26
Record high	A$95.18
Below record high	17.8%
Illustrative 60% barrier	A$46.96
Barrier vs record high	49.3%



Price ladder: record high, entry and illustrative barrier

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CSL LIMITED CSL:ASX

CSL Limited CSL:ASX

CSL is a global biotechnology company spanning plasma-derived therapies (CSL Behring), influenza vaccines (CSL Seqirus) and iron and renal medicines (CSL Vifor).

Role in the basket: CSL is the healthcare leg and the clearest company-specific challenge to the blue-chip label. The shares have already fallen 46.1% from their record high, which lowers the entry price but does not make a further decline unlikely.

REPORTED FINANCIALS

~US$3.1bn	US$2.579bn	46.1%
FY26 underlying NPATA	FY26 statutory shareholder loss	Below record high at entry

The barrier case

Essential therapies, built on hard-to-replicate plasma collection infrastructure, continue to support underlying earnings. The business remains profitable on its underlying measure despite the statutory loss.

What to watch

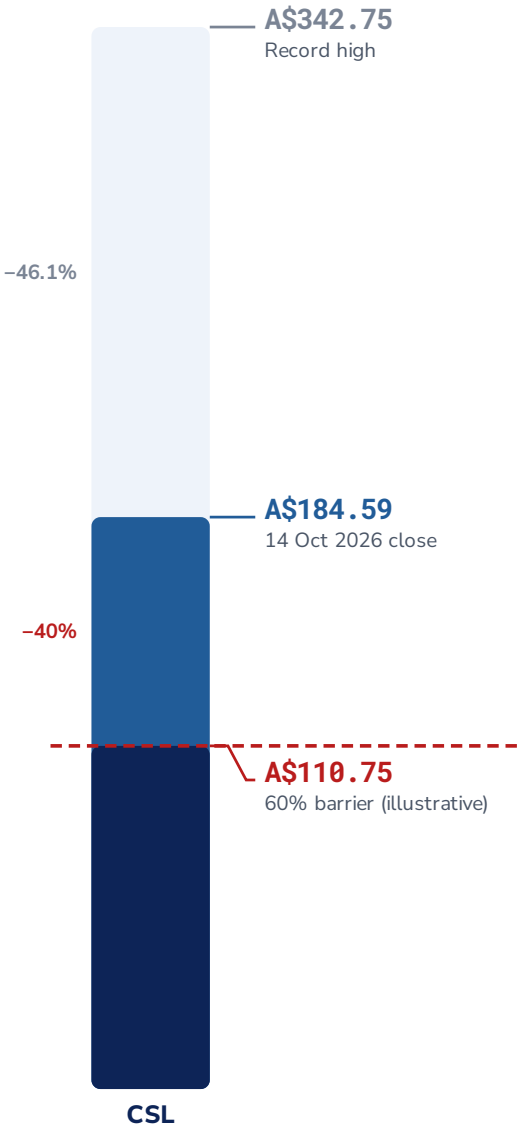
Material restructuring and impairments mean a recovery cannot be assumed. A downgrade or operating setback at CSL would warrant a reassessment of the note.

We would reassess the note if...

CSL is downgraded, reports a material operating setback, or takes further large impairments.

Entry snapshot

14 Oct 2026 close	A$184.59
Record high	A$342.75
Below record high	46.1%
Illustrative 60% barrier	A$110.75
Barrier vs record high	32.3%

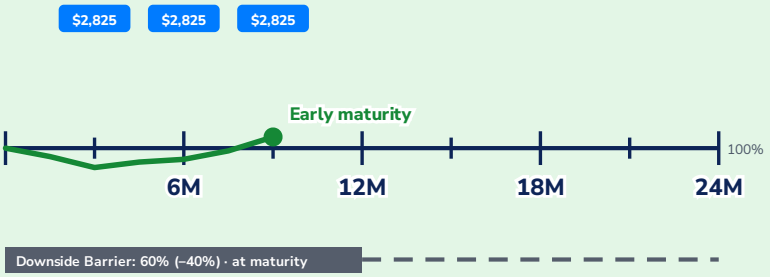


Price ladder: record high, entry and illustrative barrier

Reported financials support the resilience case; they do not establish a probability of avoiding the barrier. Different reporting periods and margin definitions are not directly comparable. Illustrative barrier uses the 14 October close, not the contractual fixing. Refresh prices before use.

SCENARIOS AND RISKS

Scenario 1: All stocks recover above their initial prices — early maturity



The stocks are below their initial prices at the first observation (month 6) but recover, so the note autocalls at month 9 (the 2nd observation).

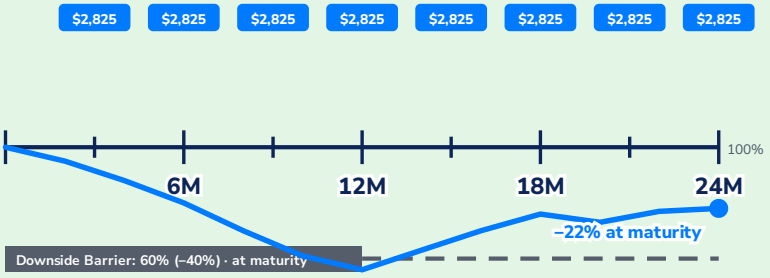
3 coupons of $2,825
Capital returned in full at month 9

Early maturity: +8.48% return

Total capital and coupons received over 9 months = $108,475

$100,000 initial capital + $8,475 (9 months at 11.30% p.a.)

Scenario 2: A stock dips below the barrier during the term but recovers by maturity



The worst performer trades below 60% mid-term, then recovers to finish –22%. Because the barrier is tested only at maturity, the interim breach does not trigger a knock-in (although the note's sale value would have fallen in the meantime).

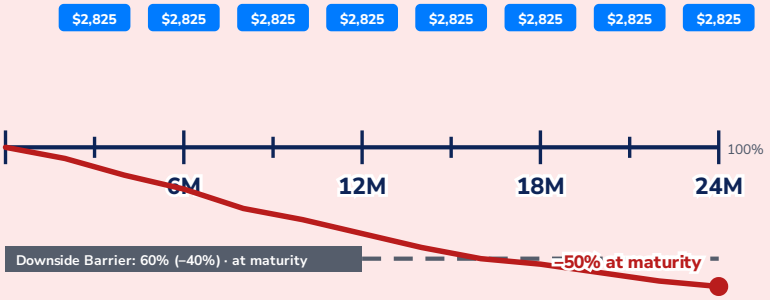
8 coupons of $2,825

Barrier not breached at maturity: +22.60% return

Total capital and coupons received over 24 months = $122,600

$100,000 initial capital + $22,600 (2 years at 11.30% p.a.)

Scenario 3: A stock remains below the barrier at maturity — knock-in event



The worst performer finishes 50% below its initial price. Capital is reduced in line with the worst performer — measured from its initial price, not from the barrier — so $100,000 becomes $50,000 (settled in cash or shares per the final terms). All coupons are still paid.

8 coupons of $2,825

Barrier breached at maturity: -27.40% return

Total capital value and coupons received over 24 months = $72,600

$50,000 in capital value + $22,600 (2 years at 11.30% p.a.)

Scenarios are for explanatory purposes only and use a $100,000 example investment. They assume issuer performance and exclude fees, tax and reinvestment. Payments shown include coupons already received. Issuer default can cause partial or total loss irrespective of share prices.

INVESTMENT COMMITTEE

Risk Methodology

The MPC Markets Investment Committee overlays its macroeconomic and market outlook directly onto its risk assessment to ensure a robust investment thesis. Taking a top-down approach, the committee first assesses the prevailing macroeconomic environment — inflation trends, employment strength, commodity cycles and consumer spending — then integrates these insights into the evaluation of each reference asset. The result is a dynamic portfolio-construction process in which risk reflects both underlying asset quality and macro context.

HOW THIS BASKET WAS ASSESSED

Each reference asset is reviewed on its most recent reported financials — earnings, margins, cash generation, liquidity and leverage — alongside its entry price relative to its record high and the illustrative 60% barrier level. Reported financials support the resilience case; they do not establish a probability of avoiding the barrier. We also identify the specific developments that would cause us to reassess each holding during the term.

GLOSSARY

Downside Barrier

The level, 60% of each initial price (a 40% fall), below which capital is exposed to the worst performer. Observed only at scheduled maturity for this note. Also known as the knock-in level.

Auto-call (Early Maturity)

If all reference assets are at or above 100% of their initial prices on a quarterly observation date from month 6, the note matures early, returning principal plus the coupon due. Future coupons stop.

Worst Performer

The reference asset with the largest percentage fall from its initial price. It alone determines the capital outcome at maturity.

Knock-In Event

Occurs if any reference asset is below its barrier at maturity. Capital is reduced by the worst performer's full fall from its initial price.

Coupon

Fixed periodic interest, paid quarterly for this note. Paid as scheduled regardless of share-price movements, subject to issuer credit.

Wholesale Client

An investor who meets a wholesale-client test under Chapter 7 of the Corporations Act 2001 (Cth) (s761G/761GA), such as the product value, assets or income, or professional investor tests. Evidence is required and may include a qualified accountant's certificate. Separate s708 exemptions apply to fundraising disclosure. These notes are available only to eligible wholesale investors.

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