

Investec ASX 200 Index Digital Plus



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Australia is set to become the world's 12th largest economy in 2021, according to the International Monetary Fund. Not only did Australia's economy recover strongly after the global pandemic, but it also has a long history of strong economic growth. The last time Australia recorded a recession was in 1991, 30 years ago. GDP is forecast to grow at 5.1% in 2021 and 3.4% in 2022, this coupled with strong labour demand and accommodative monetary policy means market confidence continues to grow.

The S&P/ASX 200 Index ('Index') is one of the largest stock markets globally. One of the key reasons why the ASX has shown such stable growth is due to the diverse range of industries and companies making up the index. Over the past 20 years, the index has recorded returns of 8.2% per annum. In the medium term, its high exposure to financials and materials are set to drive its growth in an environment of upward commodity prices and increased liquidity due to stimulus policy.

To this end, Investec Structured Products is proud to announce the Investec ASX 200 Index Digital Plus, providing investors exposure to 200 of the largest companies listed in Australia, in Rands (ZAR), as well as uncapped returns and a high degree of capital protection.

Investment objectives

The Investec ASX 200 Index Digital Plus ('Digital Plus'), provides a minimum return of 55% in ZAR if the S&P/ASX 200 Index performance is flat or positive over the 3.5-year term of the investment.

By purchasing the Digital Plus, the investor has exposure to the performance of the Index from the trade date for a 3.5-year investment term. At maturity, if the Final Index level is higher than the Initial Index level at inception but growth is less than 55%, the Digital Plus will pay the investor a return of 55%.

In addition, if the growth in the Index exceeds 55%, the investor will also receive the excess growth in the Index. Simply put; returns are unlimited and will not be capped. The investor's return is calculated and settled in ZAR.

If, however, the Index has fallen from the Initial Index Level at Maturity, investors will receive back their initial investment in full, provided that the index does not end down more than 30% at expiry and there has been no credit event in respect of the Credit Reference Entity.

The Digital Plus is a structured product issued by Investec Bank Limited ("IBL") and listed on the JSE. The listing provides Investors with the ability to hold the Digital Plus in their stock broking account, daily liquidity is provided by IBL on the JSE trading system.

The Digital Plus is credit linked and accordingly the Investor takes credit risk on both IBL, as Issuer, and BNP Paribas SA, as the Credit Reference Entity.

Summary of the investment offering

A 3.5-year ZAR investment linked to the performance of the ASX 200 Index.

100% capital protection at maturity provided the Index does not end more than 30% below the Initial Index Level at maturity.

Pays a 55% enhanced return if the index is flat or positive at maturity. In addition, investors receive any performance above 55% in the Index at maturity.

Investments from R100 000 and increments of R1,000 thereafter.

Daily pricing on the JSE, 0.5% bid/mid spread and monthly statements from your stockbroker.

Liquidity is provided by IBL, who undertakes to act as sole market maker on a reasonable endeavours' basis.

The Digital Plus is issued by IBL.

How is the return calculated?

By investing in the Digital Plus, the investor has exposure to the performance of the Index for a 3.5-year period. On Trade Date, the Initial Index Level is recorded. At maturity, if the index performance is flat or positive but not more than 55% up, the Digital Plus will return the initial investment plus 55%. Should the performance of the Index end higher than 55% investors will also receive any upside above that level. The table below shows examples of the potential return of the Digital Plus for an initial investment of R100 000, based on the performance of the Index.

Initial Investment	Performance of the S&P/ASX200 Index at Maturity	Return of the Digital Plus	Maturity Value
R100,000	60%	60%	R160,000
R100,000	25%	55%	R155,000
R100,000	1%	55%	R155,000
R100,000	-10%	0%	R100,000
R100,000	-35%	-35%	R65,000

Is capital at risk?

In times of adverse market performance, capital protection helps to shield an investor's investments from losses. If at expiry the market value of the Index has fallen below its Initial Index Level and no credit event has occurred in respect of the reference entity, the Digital Plus will be 100% Capital protected, provided that the Index has not fallen more than 30% on the Maturity Date.

Capital is also at risk to the extent that a credit event occurs in respect of IBL, as the Issuer, and/or BNP Paribas SA as the Credit Reference Entity.

What are the risks of the Investec ASX 200 Index Digital Plus?

The Digital Plus provides capital protection only in the event that the Index does not end more than 30% below the Initial Index Level on the Maturity Date. If the Index falls below this level, the capital protection falls away and the investor is exposed to the full downside of the Index at Maturity.

Selling the investment before the relevant Maturity Date may result in a capital loss even if the product would have been capital protected (the capital protection is only applicable at scheduled Maturity).

The Index value fluctuates and changes, these levels cannot be predicted. Past performance of the Index should not be seen as an indication of future performance.

Investors should note that the Digital Plus is a listed instrument issued under the Investec Bank Limited Warrant and Note Programme and that they take full credit risk on IBL as Issuer as well as BNP Paribas SA, as the Credit Reference Entity.

During the life of the Digital Plus, the value could be lower than the stated protection level irrespective of the market value of the Index at the time.

Investors will not receive Dividends in the Digital Plus.

This investment may be right for you if:

- You think that the Index will be above current levels over the next 3.5-years.
- You are looking for an investment that offers enhanced upside and potential to limit the downside exposure.
- You do not need immediate access to your money for the term of the investment.
- You have a minimum of R100,000 to invest.

This investment may not be right for you if:

- You want 100% capital protection under all conditions.
- You want to receive regular dividends and income.
- You cannot commit to the full term of the investment.
- You do not want to take credit risk on IBL or BNP Paribas SA.

What fees are charged?

Financial advisors receive a fee of 1.25% upfront and 0.75% for the second and third year (Incl VAT) paid by IBL. This fee is built into the cost of the Digital Plus and the investor will have 100% of their funds allocated to the product. All other listing, administration and ongoing custody fees have been priced into the product; however, investors may incur brokerage costs as determined by their stockbroker if the investment is sold before the Maturity Date.

How is the Digital Plus taxed?

It is incumbent upon potential investors to seek independent professional legal, tax and accounting advice to consider the investment in the light of the investor's particular circumstances. IBL provides no investment, tax or legal advice and make no representation or warranty about the suitability of this product for a particular client or circumstance.

What are the credit risks?

As the Digital Plus is credit linked to BNP Paribas SA, should a credit event (bankruptcy, failure to pay, obligation default, repudiation/moratorium, Government Intervention and restructuring) occur in respect of BNP Paribas SA, the return would be reduced as set out in more detail in this brochure. This could result in a total loss of the amount invested, regardless of the performance of the Index.

If a credit event occurs with respect to BNP Paribas SA on or before the Maturity Date, IBL, as calculation agent, will obtain tradable quotes in the market, in respect of the obligations of BNP Paribas SA and will determine a recovery price (expressed as a percentage) based on such quotations adjusted to take into account the portion of IBL's hedge position affected by the credit event.

The return due to the Investor will then be equal to the market value of the Digital Plus multiplied by such adjusted recovery price, which will be payable on the Maturity Date. This reduced return will earn interest at the overnight SAFEX rate, from the date upon which the recovery price is determined after the credit event occurs, until the scheduled Maturity Date.

IBL gives no representations or warranties as to whether a credit event could occur in relation to BNP Paribas SA, and the Investor is advised to perform its own evaluation of the credit worthiness of BNP Paribas SA, and the suitability and appropriateness of this investment, based on the Investor's own judgement and upon advice from such tax, accounting, regulatory, legal and financial advisers as the Investor deems appropriate and/or necessary.

What happens at Maturity?

When the Digital Plus matures under the conditions set out above, the relevant settlement amount will be credited to the investor's stockbroking account in ZAR.

What is the S&P/ASX 200 Index?

The S&P/ASX 200 is recognised as the institutional investable benchmark in Australia. Index constituents are drawn from eligible companies listed on the Australian Securities Exchange. The S&P/ASX 200 is designed to measure the performance of the 200 largest index-eligible stocks listed on the ASX by float-adjusted market capitalization. The index represents almost 80% of the market as a whole. Representative, liquid, and tradable, it is widely considered Australia's preeminent benchmark index.

If you are unsure how this listed instrument works or whether it is suitable for your investment needs, please seek advice from your investment manager.

The investment manager/financial advisor must be authorised to provide intermediary and advisory services in the following sub-categories:

Category I

1.11 Warrants, Certificates and other instruments or

1.24 Structured Deposits or

Or, to manage the Investors investments on a discretionary basis:

Category II

2.8 Warrants, Certificates and other instruments or

2.18 Structured Deposits

Be a JSE stockbroker with an Investment Services Provider license.

Important dates

Closing Date: 01 October 2021	Trade Date: 8 October 2021	Listing date: 15 October 2021	Maturity date: 07 April 2025
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Contact details

For more information, please contact your financial advisor or one of our product specialists

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Sonia Lynch	011 286 9440	sonia.lynch@investec.co.za
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Product supplier

Please find below the details of the product supplier:

Product supplier	Investec Corporate and Institutional Banking, a division of Investec Bank Limited
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Physical address	100 Grayston Drive, Sandown, Sandton, 2196, Gauteng, South Africa
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Postal address	P O Box 785700, Sandton, 2146, Gauteng, South Africa
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Compliance officer	Chulekazi Jikijela
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Address	100 Grayston Drive, Sandown, Sandton, 2196, Gauteng, South Africa
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Contact number	+27 11 286 7000
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Application form and term sheet for the ASX 200 Index Digital Plus

The information set out in this Application Form and Term Sheet provides a summary of the Digital Plus only. Terms used, but not otherwise defined herein shall have meanings given to such in the relevant Pricing Supplement.

The full terms and conditions of the Digital Plus will be set out in the Pricing Supplement which will be made available on the listing date on the IBL website at [www.investec.com/Digital Plus](http://www.investec.com/DigitalPlus). Prospective Investors must ensure that they are fully aware of the risks involved when investing in financial products. It is recommended that Investors seek professional advice and read the applicable Application Form and Warrant and Note Programme prior to making any investment decision.

Details of this programme are available on the IBL website at www.investec.com/DigitalPlus or from your stockbroker.

Completion and signature of this Application Form and Term Sheet by the Investor constitutes a mandate for IBL to implement the investment in the Digital Plus per the terms and conditions set out herein.

The implementation of the Digital Plus investment remains subject to the acceptance by IBL of the signed Application form and payment of the relevant minimum investment amount by the Investor.

IBL will target a digital return level of 55%, however, due to the volatile nature of the underlying index, IBL reserves the right not to proceed on Trade Date should the level of the digital return offered by IBL be below 50%.

In addition, IBL reserves the right not to implement the Digital Plus if any change in circumstances occurs which would adversely affect its ability to implement the investment. In such an event, IBL will notify the Investor and return the investment amount to the Investors nominated stockbroking/bank account.

While IBL does provide a daily price for the product, the nature of the product is such that the capital protection is only available at Maturity. During the life of the product the value could be lower than the stated protection level irrespective of the Index level at the time. IBL will provide bid and offer prices for the product under normal market conditions (subject to internal policy and applicable laws and regulations); however, liquidity could be limited.

The return received is dependent on the Index and past performance of any investment is not a guide to future returns. IBL does not provide any warranty as to the performance or profitability of these investments.

Terms - Index	
Index Sponsor	S&P Dow Jones
Index Calculation Agent	S&P Dow Jones
Index Geographical Coverage	Australia
Index Bloomberg Ticker	AS51 Index
Index Currency	ZAR
Index Weighting Methodology	Float-adjusted Market Cap Weighted
Index Type	Market Capitalisation

Terms - Digital Plus	
Product Name	Investec ASX 200 Index Digital Plus
Issuer	Investec Bank Limited
Calculation Agent	Investec Bank Limited
Currency Exposure	Rands
Specified Denominations ("Units")	R1,000 per Note. The provision of Notes will not be offered for subscription to any single Investor acting as principal for an amount of less than R1,000,000.
Issue Price Per Note	100%
Purchase Price Per Note	100%
Term	3.5 years
Closing Date of Offer	01 October 2021
Trade Date	08 October 2021
Listing Date	15 October 2021
Valuation Time	The time at which the Index Sponsor publishes the closing level of the Index
Reference Level	The level of the Index published by the Index Sponsor at the Valuation Time
Initial Index Level (IIL)	The Reference Level on the Trade Date
Maturity Date	07 April 2025
Final Settlement Date	Maturity Date + Five Business Days
Notional	ZAR Investment
Maturity Value	<p>If no Credit Event has occurred, the Maturity Value will be determined in accordance with the below:</p> <p>If the Final Index Level is greater than or equal to the Initial Index Level: Maturity Value = (Notional x (1 + (Digital Return + Investment Growth)))</p>

Terms (continued)	
Maturity Value	<p>OR</p> <p>If the Final Index Level is less than the Initial Index Level, but no Trigger Event has occurred: Maturity Value = Notional</p> <p>OR</p> <p>If the Final Index Level is less than the Initial Index Level and a Trigger Event has occurred: Maturity Value = Notional x FIL/IIL</p>
Final Index Level (FIL)	The Reference Level at the Valuation Time on the Maturity Date
Barrier Observation	At the Valuation Time on the Maturity Date
Digital Return	55%
Investment Growth	Investment Growth = Max [(FIL – IIL) / IIL – Digital Return; 0]
Barrier	70% of the Initial Index Level
Trigger Event	The Reference Level of the Index is below the Barrier at the time of the Barrier Observation.
Fees	Financial advisors receive a 1.25% fee upfront and 0.75% per annum in years 2 and 3 (incl. VAT) paid by IBL. This fee is built into the cost of the Digital Plus and the investor will have 100% of their funds allocated to the Digital Plus. All fees paid in ZAR.
Credit Reference Entity	BNP Paribas SA
<p>Consequences of occurrence of a Credit Event</p> <p>CE Factor</p> <p>CE Interest</p> <p>Credit Event</p>	<p>If a Credit Event occurs in respect of the Reference Entity, on or before the Maturity Date, the Digital Plus will terminate on the Maturity Date and the Investor will receive the following:</p> <p>Maturity Value: The market value of the Digital Plus on the business day immediately prior to the date of the Credit Event multiplied by the CE Factor (“Reduced Return Amount”) plus CE Interest.</p> <p>The recovery price (expressed as a percentage) of senior bond or loan obligations of the Reference Entity based on tradable quotations obtained in the market and adjusted to take into account the portion of IBL’s hedge position affected by the Credit Event, determined by IBL, as calculation agent.</p> <p>If a Credit Event occurs prior to the Maturity Date, the Investor will receive interest (at the overnight SAFEX rate) in respect of the Reduced Return Amount, from the date upon which the recovery price is determined, to but excluding the Maturity Date.</p> <p>Failure to Pay, Obligation Default, Repudiation/Moratorium, Government Intervention and Restructuring.</p>
Early Redemptions	Early Redemptions are made by selling the Digital Plus on the JSE and will be subject to the rules of the JSE settlement system. IBL will be a market maker for the Digital Plus at the prevailing mark to market rate of the instrument, less a bid to mid of 1% spread. The price of the Digital Plus is subject to various factors including volatility, prevailing interest rates, exchange rates and market levels and investors should be aware that the Capital Protection, if any, is only applicable at maturity. Please note that the JSE price may not reflect the price at which IBL is prepared to trade.

Important notes

The valuation and calculation of the Index is independently managed by S&P Dow Jones. IBL is not involved or responsible for the Index and will merely utilise the Index prices published by S&P Dow Jones. IBL will not be liable for any losses that may occur due to any issues or errors in relation to the Index.

Distributors should note that no payments will be received by IBL and that all settlements will take place via stockbroking accounts on a delivery versus payment basis on the settlement date, being the day following listing date on the JSE.

Investors must provide proof to IBL of the available funds in their respective stockbroking accounts and ensure that their stockbroking accounts are funded by the full amount applied for before/on the closing date. IBL will deliver the Digital Plus to the investor's stockbroking account on a delivery versus payment basis on the settlement date.

Investors whose designated stock broking accounts are not funded by the closing date with the full amount of their requested investment in the Digital Plus or whose available funds are not able to be transferred to pay for their investment in the Digital Plus for any reason, will not participate in this Digital Plus investment.

IBL accepts no responsibility or liability for such failure to pay for the Digital Plus by the Investor and IBL shall not be liable for any losses or damages that such investor may suffer as a result of failing to invest in the Digital Plus.

Investment application form

Nominal Amount invested - Investec ASX 200 Index Digital Plus
Total per attached schedule R1,000.00 per note, and a minimum of R100,000.00

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Instructions for completing this application form

- 1. Distributors complete application form
- 2. Distributors complete Investor Schedule
- 3. Send completed application form and Investor Schedule to: SPSupport@investec.co.za
- 4. Confirm investors BDA account is funded with required investment amount

Note: no additional FICA documentation is required.

No Cash to be deposited to IBL, all investors to fund their stockbroker accounts before/on Closing Date.

Distributors are required to provide IBL with a schedule of investors with the details of stockbroker and account details.

Section 1: Distributor

This section provides us with the details of the distributor.

First name(s)	
Surnames (for individuals)	
ID/Passport Number	
Registered Company name	
Email address	
Telephone number	

Section 2: Declaration and signature

I, the undersigned hereby confirm that I have read and understood the application form and term sheet and agree to be bound by the terms and conditions thereof and warrant that the particulars supplied below are true and correct and that completion, signature and submission of this application form and attached schedule constitutes a mandate for IBL to implement the investment in the Investec ASX 200 Index Digital Plus the terms and conditions set out herein.

- I hereby agree and acknowledge that IBL is a product supplier as defined by the Financial Advisory and Intermediary Services Act (FAIS) and as such,
- IBL will not render any investment advice in respect of the Digital Plus. The selection of investments will be made entirely at my/ investors discretion,
- IBL shall bear no responsibility for, nor guarantee the performance of the investment or the index, and IBL will not be liable for any losses I/ investor may incur as a result of acting on inadequate, insufficient or inappropriate advice.
- Distributors should note that completion, signature and submission of this application form and attached schedule constitutes a mandate for IBL to implement the investment in the Digital Plus per the terms and conditions set out herein.

Financial/ Investment Professional

Date

Place

Disclaimer

This document is not a prospectus, nor does it constitute an offer to the public in respect of the Digital Plus. Completion and signature of the Application Form contained herein constitutes an offer to invest in the Investec ASX 200 Digital Plus, implementation of which is subject to acceptance of the signed Application Form by IBL. Investors should seek their own independent professional advice regarding the suitability of the Digital Plus for their own particular investment purposes.

The information contained in this communication is for informative purposes and is not intended to constitute advice in any form, including but not limited to investment, accounting, tax, legal or regulatory advice. As product supplier, IBL is not in a position to have regard to the specific investment objectives, financial situation or particular needs of any specific recipient. The material is based upon information that we consider to be reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. All illustrations, forecasts or hypothetical data are for illustrative purposes only and are not guaranteed. The sender accepts no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this communication. IBL does not make representation that the information provided is appropriate for use in all jurisdictions or by all investors or other potential investors. Parties are therefore responsible for compliance with applicable local laws and regulations. Prospective investors should be fully aware of the risks involved in trading investment related products. Profits and benefits are dependent on the performance of underlying assets and other variable market factors including currency exchange fluctuations and are not guaranteed.

This product is not sponsored, endorsed, sold, or promoted by the Index or indices, as specified herein, or the relevant Index sponsor, being the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) announces (directly or through an agent) the level of the relevant Index on a regular basis. No Index sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with entering into any transaction in respect of this product. Neither IBL nor the Investor shall have any liability to the other for any act or failure to act by the Index sponsor in connection with the calculation, adjustment or maintenance of the Index. IBL has no affiliation with or control over the Index or Index sponsor or any control over the computation, composition or dissemination of the indices. Although IBL will obtain information concerning the indices and currencies 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 IBL as to the accuracy, completeness and timeliness of information concerning the indices and/or the currency exchange rates.

Investec Corporate and Institutional Banking is a division of Investec Bank Limited registration number 1969/004763/06, an Authorised Financial Services Provider (11750), a Registered Credit Provider (NCRCP 9), an authorised Over the Counter Derivatives Provider, and a member of the JSE. IBL is committed to the Code of Banking Practice as regulated by the Ombudsman for Banking Services. Copies of the Code and the Ombudsman's details are available on request or visit www.investec.com.

