

Get your investments
In the Green



Environmental World Index
Autocall

Brochure, application form and term sheet

 **Investec**
Specialist Bank

Investec Environmental World Index Autocall

Over the last few years environmental and sustainable investing has become a key investment theme, with one quarter of all professional assets under management currently invested according to ESG metrics. Net inflows into US sustainable investment funds almost quadrupled in 2019, to US\$20.6bn.

There is a common misconception amongst retail investors that sustainable investing comes at the detriment of returns. However, research has shown that over the last 5 years, a strategy of picking stocks according to their ESG metrics would have outperformed world equity markets by 3% per annum.

To this end, Investec Structured Products is proud to announce the first structured product to be issued in South Africa over an Environmental World Index, giving investors access to world equity markets whilst considering their environmental impact.

Investment objectives

The Environmental World Index Autocall ("Autocall") is a structured product, listed on the Johannesburg Stock Exchange ("JSE"). The Autocall's performance is linked to the performance of the Euronext CDP (Carbon Disclosure Project) Environment World EW Index ("Index"). The investment product is designed to provide investors with an attractive return even if the Index makes only modest returns over the investment term. The investment provides exposure in Rand with a high degree of capital protection. Capital is at risk if no early redemption occurs and the Index has fallen more than 40% from trade date to maturity date.

A pre-defined enhanced return of 25% (non-compounded cumulative) per annum in Rand is paid in the event of flat or positive Index performance on the Automatic Call Dates, hence the term Autocall. The Autocall offers investors the potential to earn enhanced returns relative to cash and fixed income investments. The issuer of the Autocall is Investec Bank Limited ("IBL").

Summary of the investment offering

- A maximum five-year Rand investment linked to the performance of the Index.
- This Autocall will mature at the end of year five but may be subject to Automatic Call Dates at the end of year 3 or year 4.
- The Automatic Call Date feature may lead to the investment terminating prior to the five-year term.
- Pays a 25% enhanced return per annum, if the Index is flat or positive on any Automatic Call Date.
- 100% capital protection in Rand provided the Index does not end more than 40% below the Initial Index Level 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 Investec Bank Limited, who undertakes to act as sole market maker. The Autocall is issued by Investec Bank Limited.

How is the return calculated?

The initial level of the Index ("Initial Index Level") is recorded on the Trade Date and the closing level of the Index is then observed at each Automatic Call Date.

This will be the basis for calculating whether the Index has risen or fallen over the investment period. The Initial Index Level and Final Index Level are the closing levels of the Index as published by the Index provider on the relevant dates.

If the Final Index Level is greater than or equal to the Initial Index Level on any Automatic Call Date, the investment will redeem early and pay an amount equal to the investor's initial capital investment plus a pre-defined return of 25% per annum.

For example, if on the first Automatic Call Date at the end of year 3 the Index level has increased by 5%, investors will receive back their initial capital plus 3 times

the enhanced annual return of 25% in Rand. $100\% + (25\% \times 3) = 175\%$.

If however, the Index level on the first Automatic Call Date is below the Initial Index Level, then the investment remains intact and continues to the second Automatic Call Date. On the second Automatic Call Date, the Index level is again reviewed. If the Index is above the Initial Index level, the investment will redeem and the investor will receive their initial capital plus four times the enhanced return $100\% + (25\% \times 4) = 200\%$.

If the Autocall has not been automatically called at the end of five years and the Index is below the Initial Index Level at Maturity, the investment redeems and investors will receive back 100% of their initial investment in Rand, provided the Index does not end below 60% of the Initial Index Level.

Capital at Risk

Capital is at risk if no early redemption occurs and the Final Index Level, after five years, ends below 60% of the Initial Index Level, this is referred to as a European barrier. If this occurs, capital will be reduced on a one-for-one basis with the fall in the index.

For example, if the Index level ends down by 47% on the Maturity Date, having not being called on any of the Automatic Call Dates, the investor will make a capital loss of 47% at Maturity.

Capital is also at risk to the extent that a credit event occurs in respect of IBL, as the Issuer, and/or The Goldman Sachs Group Inc as the Credit Reference Entity.

What are the risks of the Environmental World Index Autocall?

- The Autocall provides capital protection only in the event that the Index does not end by more than 40% 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 of the investment before the relevant Maturity Date may result in a capital loss even if the product is capital protected (the capital protection is only at Maturity).
- The Index value fluctuates and changes to 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 Autocall is a listed instrument under the Investec Bank Limited Warrant and Note Programme and that they take full credit risk on IBL as Issuer, as well as The Goldman Sachs Group Inc.
- The enhanced returns on each Automatic Call Date are fixed as per the Terms (attached) and investors will not get any additional benefit in the growth of the Index above the Initial Index Level.
- Investors will not receive Dividends in the Autocall.

This investment may be right for you if:

- You think that the Index will be above current levels over the next five 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 think the Index may be up more than 25% per annum.
- 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 The Goldman Sachs Group Inc.

What fees are charged?

Financial advisors receive a fee of 1.25% in year 1, as well as 0.75% for year 2 and 3 (Incl of VAT) paid by IBL. This fee is built into the cost of the Autocall 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 your stockbroker if the investment is sold before the Maturity Date.

How is the Autocall taxed?

It is incumbent upon potential investors to seek independent professional legal, tax and accounting advice so as 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 Environmental World Index Autocall is credit linked to The Goldman Sachs Group Inc, should a credit event (bankruptcy, failure to pay, obligation default, repudiation/moratorium, Government Intervention and restructuring) occur in respect of The Goldman Sachs Group Inc, 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 The Goldman Sachs Group Inc on or before the Maturity Date, IBL, as calculation agent, will obtain tradable quotes in the market, in respect of the obligations of The Goldman Sachs Group Inc 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 Autocall 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 it is determined that the credit event occurs, until the scheduled Maturity Date.

IBL gives no representations or warranties as to whether or not a credit event could occur in relation to The Goldman Sachs Group Inc, and the Investor is advised to perform its own evaluation of the credit worthiness of The Goldman Sachs Group Inc, 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 or early redemption?

When the Autocall matures or redeems early, on any Automatic Call Date, under the conditions set out above, the relevant Rand settlement amount will be credited to the investor's stockbroking account.

Environmental World Index Autocall

The Euronext® CDP Environment World EW Decrement 5% Index is an equity index created, published and calculated by Euronext.

The index is equal-weighted, consisting of the top 40 companies with the highest environmental rating among the 400 largest companies in terms of floating market capitalisation across both Northern America (US and Canada) and the Eurozone.

The Index composition is reviewed annually to include companies with the highest CDP scores, and constituents are reweighted to an equal weighting on a quarterly basis.

The Index is a total return index that reinvests the net dividends paid by its constituents and then deducts a predefined dividend of 5% per annum. This decrement could negatively affect the performance of the index in a lower dividend yield environment. The current dividend yield is 3.8% resulting in a reduction in the index by 1.2% (3.8% - 5%) per annum relative to the Price only index.

For more information on the Index and its performance, please see our website on www.investec.com/Autocall

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 is required to have the following license Financial Advisory and Intermediary Services Act to provide advice on the product:

- Category I
 - o 1.24 Structured Deposits or
 - o 1.11 Warrants, Certificates and other instruments

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

- Category II
 - o 2.18 Structured Deposits or
 - o 2.8 Warrants, Certificates and other instruments

Or

Be a JSE stockbroker with an Investment Services Provider license.

Important dates

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|---------------------------------------|-------------------------------------|--------------------------------------|--|
| Closing Date: 16 March 2020 | Trade Date: 24 March 2020 | Listing date: 2 April 2020 | Maturity date: 24 March 2025 |
|---------------------------------------|-------------------------------------|--------------------------------------|--|

Contact us

Please contact one of our product specialists for further information:

| | | |
|----------------|--------------|-------------------------------|
| Brian McMillan | 011 291 3180 | brian.mcmillan@investec.co.za |
| Sonia Lynch | 011 286 9450 | sonia.lynch@investec.co.za |
| Japie Lubbe | 021 416 3307 | japie.lubbe@investec.co.za |
| Carlo Accolla | 021 416 3318 | carlo.accolla@investec.co.za |
| Andri Joubert | 021 416 3679 | andri.joubert@investec.co.za |

Product supplier

Please find below the details of the product supplier:

| | |
|--------------------|---|
| Issuer | Investec Corporate and Institutional Banking, a division of Investec Bank Limited |
| Physical address | 100 Grayston Drive, Sandton, Sandown, 2196, Gauteng, South Africa |
| Postal address | P O Box 785700, Sandton, 2146, Gauteng, South Africa |
| Compliance officer | Chulekazi Jikijela |
| Address | 100 Grayston Drive, Sandton, Sandown, 2196, Gauteng, South Africa |
| Contact number | +27 11 286 7000 |

Application form and term sheet

The information set out in this Application Form and Term Sheet provides a summary of the Autocall 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 Autocall 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/Autocall

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 Investec website at www.Investec.com/Autocall 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 Autocall per the terms and conditions set out herein.

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

IBL will target an enhanced return level of 25%, however, due to the volatile nature of the underlying indices, IBL reserves the right not to proceed on Trade Date should the level of the enhanced return offered by IBL be below 23%.

In addition, Investec reserves the right not to implement the Autocall if any change in circumstances occurs which would adversely affect its ability to implement the investment. In such an event, Investec 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

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| Sponsor | Euronext |
| Calculation Agent | Euronext |
| Geographical Coverage | North America & Europe |
| Bloomberg Ticker | WLENV Index |
| Index Currency | EUR |
| Methodology | Environmental Score by CDP |
| Type | Decrement (5% Fixed Dividend Yield) |
| Launch Date | 22 February 2020 |
| Name of Structure | Environmental World Index Autocall |
| Generic Structure | Autocallable Note with capital at risk |
| Issuer | Investec Bank Limited |
| Currency | Rand "ZAR" |
| 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 R1000,000 |
| Issue Price Per Note | 100% |
| Purchase Price Per Note | 100% |
| Term | 5 years |
| Closing Date of Offer | 16 March 2020 |
| Trade Date | 24 March 2020 |
| Listing Date | 2 April 2020 |
| 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 |

Terms (Continued)

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| Maturity Date | 24 March 2025 |
| Final Settlement Date | Maturity Date + Five Business Days |
| Automatic Call Settlement Dates | Automatic Call Date + Five Business Days |
| Settlement Currency | Rand |
| Automatic Call Dates | 3 April 2023 25 March 2024 |
| Automatic Call Date Event | On any of the two Automatic Call Dates, if the Reference Level is greater than or equal than the Initial Index Level, the Autocall will terminate and the Redemption Amount will be the corresponding Automatic Call Date Amount (in year 3 the Automatic Call Date Amount will be notional x 175% and in year 4 the Automatic Call date amount will be notional x 200%) |
| Automatic Call Date Amount | 1. Notional x 175% 2. Notional x 200% |
| Final Averaging | Not applicable |
| Final Index Level (FIL) | The Reference Level at the Valuation Time on any Automatic Call Date or the Maturity Date |
| Barrier Observation | At the Valuation Time on the Maturity Date |
| Barrier | 60% of the Initial Index Level |
| Trigger Event | The Reference Level of the Index is below the Barrier at the time of the Barrier Observation. |
| Final Redemption Amount | <p>IF no Automatic Call Dates and no Credit Event has occurred, the Final Redemption Amount 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: Notional x 225%</p> <p>IF the Final Index Level is less than the Barrier Level, then a Trigger Event has occurred: Notional x FIL/IIL</p> <p>IF the Final Index Level is less than the Initial Index Level and no Trigger Event has occurred: Notional x 100%</p> |

Terms (Continued)

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| Fees | Financial advisors receive a 1.25% fee (incl. VAT) paid by IBL. This fee is built into the cost of the Autocall and the investor will have 100% of their funds allocated to the Autocall. In addition distributors will receive a 0.75% fee (Incl. VAT) for year two and three |
| Credit Reference Entity | The Goldman Sachs Group Inc |
| Consequences of occurrence of a Credit Event | <p>If a Credit Event occurs in respect of the Reference Entity, on or before the Maturity Date, the ELN will terminate on the Maturity Date and the Investor will receive the following:</p> <p>Maturity Value: The market value of the ELN 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> |
| CE Factor | The recovery price (expressed as a percentage) of subordinated 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 Investec’s hedge position affected by the Credit Event, determined by IBL, as calculation agent |
| CE Interest | 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 occurrence of the Credit Event is duly confirmed, to the Maturity Date |
| Credit Event | Failure to Pay, Obligation Default, Repudiation/Moratorium, Government Intervention and Restructuring |

Important Notes

The valuation and calculation of the Index is independently managed by Euronext. IBL is not involved or responsible for the Index and will merely utilise the Index prices published by Euronext. IBL will not be liable for any losses that may occur due to any issues or errors connected to the Index.

Distributors should note that no payments will be received by IBL and that all settlement 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 Investec of the available funds and ensure that their stockbroking accounts are funded by the amount applied for before/on the closing date.

Investec will deliver the Autocalls 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 Autocall or whose available funds are not able to be transferred to pay for their investment in the Autocall for any reason, will not participate in this Autocall investment.

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

Investment application form

Nominal Amount invested - Environmental World Index Autocall

Total per attached schedule in increments - R1,000.00 per note

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Nominal Amount invested - Environmental World Index Autocall

- 1. Distributors complete application form
- 2. Distributors complete Investor Schedule electronically, available on Investec Website (www.Investec.com/Autocall)
- 3. Send completed application form and Investor Schedule to: SPSupport@investec.co.za
- 4. Confirm investors BDA account is funded with required invested 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 Investec with a schedule of investors with the details of stockbroker, account details and hereby confirm that the Distributor has the consent of the investors to share their details

Section 1: Distributor / Stockbroker

This section provides us with the details of the Distributor.

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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 Environmental World Index Autocall 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 Autocall. 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, 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 Autocall 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 Investec Equity Structured Products. Completion and signature of the Application Form contained herein constitutes an offer to invest in the Investec Environmental World Autocall, implementation of which is subject to acceptance of the signed Application Form by Investec. Investors should seek their own independent professional advice regarding the suitability of this note 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, Investec 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. Investec 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 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 Investec 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. Investec 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 Investec will obtain information concerning the indices 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 Investec as to the accuracy, completeness and timeliness of information concerning the indices.

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