

Corporate and Investment Banking

**Your success story
begins with exploring
alternate paths.**

*Global Fixed Return and
Growth Protector*

AL (1/5)

cib.absa.africa

Your story matters





If you are looking for a tax efficient rand investment that protects your capital, then we have a safe option for you. Receive a fixed return on half your money after 1 year, and an enhanced return linked to a global diversified portfolio after 5 years.

Seeking global growth with peace of mind?

In today's uncertain markets, many investors are looking to diversify into global equities – especially after recent corrections – but without exposing their capital to the risk of loss or receiving no return at all.

The Global Fixed Return and Growth Protector offers a compelling solution:

A 5Y 100% ZAR capital-protected investment with an attractive fixed return, intra-term liquidity, and geared, uncapped exposure to a customized version of the S&P 500 Index. This index features a built-in risk control mechanism targeting 10% volatility, helping to manage market swings.

Plus, at maturity, any growth is linked to the ZAR/USD exchange rate, giving you the potential to benefit from both global market performance and currency movements. The Investment is in the form of a Johannesburg Stock Exchange Listed Note issued by Absa Bank Limited ('Absa') and made available to investors through a linked endowment policy underwritten by the insurer.

Please note that the restricted period applicable to a Linked Endowment policy applies and will influence some of the features detailed below, particularly access to benefits within the restricted period. Please refer to the Policy Terms and Conditions for specific details.

For whom is the Investment suitable?

This Investment may be suitable if you:

- Want to invest in South African rand and have a minimum lump sum of R100 000.
- Would like some foreign currency exposure.
- Understand and are comfortable with the Index.
- Are able to commit your money for five years.
- Do not want to risk losing any capital, provided you remain invested for the full term of each half of the Investment.
- Would like to earn an attractive Fixed Return and at the same time potentially earn an Enhanced Return linked to a global portfolio.
- Want to diversify your portfolio to markets and assets outside South Africa.
- Regard the terms governing the liquidity of the Investment and the policy as appropriate for you.

This Investment may not be suitable if you:

- Do not want any exposure to foreign currency.
- Cannot accept that the Index may achieve no or very little growth and that the return on the Equity index portion of your Investment could after five years be zero or less than you could have earned in a low-risk deposit account.
- Do not understand or are not comfortable with the Index used.
- Do not want to wait for five years to access your money.
- Are not willing to assume the full credit risk of the Issuer. If the creditworthiness of the Issuer declines over the investment term, the value of your Investment may also fall, which may result in capital loss if the Investment is sold before maturity. If the Issuer is unable to repay capital or any return due at maturity, you will get back less than is due to you or nothing at all (more information about the Issuer is provided later in this brochure).

How the Investment works

Half of your Investment Amount will be allocated to a 'Fixed Return Investment' that matures after one year, and the other half will be allocated to an 'Equity Index Investment' that matures after five years. The Investment Amount and capital protection are in South African rand.

At the beginning of the Investment term (i.e. on the Investment Start Date), we record the following:

The closing level of the Index, referred to as the 'Initial Index Level'.

After one year (Fixed Return Investment maturity):

You will receive half of your Investment Amount back, plus a Fixed Return that is based on half of the Investment Amount. The value will be reinvested within your policy, unless you do a partial surrender.

After five years (Equity Index Investment maturity):

You will receive the remaining half of your Investment Amount back, plus at least 200% participation in any positive Index Performance. The 'Final Index Level' will be the arithmetic average of thirteen monthly levels of the index, and will be taken over the last thirteen months of the Investment term, at the Valuation Time as determined by the Calculation Agent. These dates will be available on the term sheet post trade and will be made available to investors upon request.

- If the Index Performance is negative, you will receive the remaining half of your Investment Amount back, but no additional returns
- If the Index Performance is positive, you will receive the remaining half of your Investment Amount back, plus an additional percentage return based on this half of your Investment Amount
- The percentage return will be calculated by multiplying the Index Performance by the Participation Rate. The Index Performance will be uncapped. The percentage amount by which the ZAR/USD exchange rate has changed over the Investment term will be multiplied by the percentage return amount calculated above. Assuming the ZAR had weakened against the USD over the Investment term, this would have a positive effect on any return amount (and vice versa in the event the ZAR has strengthened).

Risks, Returns and Asset Allocations associated with the product

1. Summary Risk Indicator (SRI)

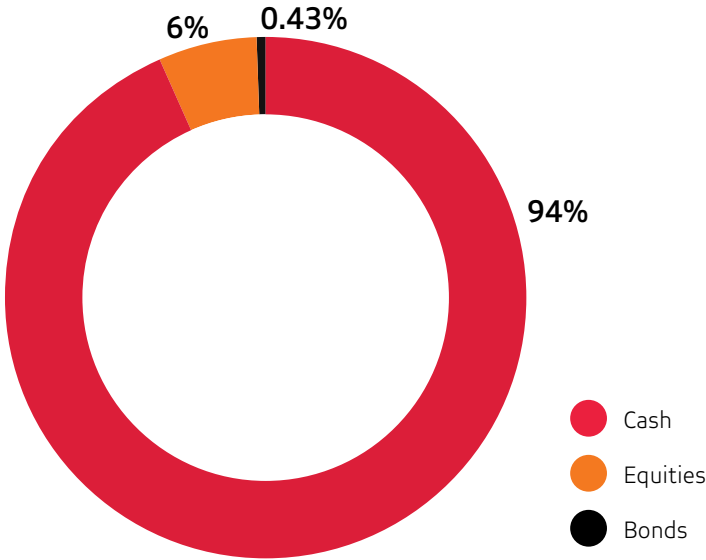
The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 2 out of 7, which is a low-risk class. This rates the potential losses from future performance at a low level, and poor market conditions are very unlikely to impact our capacity to pay you. The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to sell your product easily or may have to sell at a price that significantly impacts on how much you get back.

Please consider the risks detailed from Page 6 which some may not have been accounted for in the risk indicator assessment.



2. Risk Decomposition by Asset allocations

The asset allocation is a synthetic risk decomposition that breaks down the product’s risk into constituent parts represented by traditional asset classes. This helps the investor to better understand their risk consumption and to also have an idea of the overall portfolio tilt when adding this product to their diversified portfolio. It should be interpreted in conjunction with the SRI number given above and when the product is held to maturity. The SRI Rating for this product is 2 out of 7 and the portfolio is heavily dominated by Cash.



About the Index

The S&P 500® Risk Control 10% Index relies on the existing S&P 500® methodology and overlays mathematical algorithms control the index risk profile at a specific volatility target. The index is designed to provide exposure to the S&P 500® Total Return Index while aiming to maintain a target volatility of 10%. By dynamically adjusting the exposure between the equity index and a cash component, the index seeks to reduce the impact of market volatility.

Key Features

Index Suitability:

This index is suitable for investors seeking exposure to US equities with a mechanism to control volatility, aiming for more stable returns over time.

Dynamic Risk Control:

Adjusts exposure to the S&P 500® Total Return Index and cash to target 10% volatility.

Daily Rebalancing:

Evaluates and rebalances the portfolio daily based on market volatility.

Excess Return Calculation:

Measures performance above a cash benchmark, excluding the return from the cash component.

Currency:

USD

Bloomberg Ticker:

SPXT10UE

Access the Latest Factsheet:

For detailed information, including historical performance and methodology, please refer to the official factsheet provided by S&P Dow Jones Indices: <https://www.spglobal.com/spdji/en/indices/multi-asset/sp-500-daily-risk-control-10-index/#overview>

Access to your Investment

Please note that withdrawals are limited in your policy and any early withdrawal could result in you losing some of your Investment Amount. It is for this reason that the investment is aimed at investors who do not need access to their money during the Investment Term. In terms of legislation, you may access your Investment once during a restricted term of five years by making one full or partial withdrawal. You should be aware of the following:

- If you need to make an early withdrawal before the end of one year, you can ask the Issuer to redeem the entire Investment linked to your policy at the prevailing market value.
- If you do not make any withdrawals before the end of one year, you may surrender half of your Investment Amount plus the Fixed Return. You will be contacted accordingly.
- If you choose to take the proceeds at this stage, no further withdrawals can be made from the policy until the end of the five-year Investment Term.

Withdrawals are limited in your policy and any early withdrawal could result in you losing some of your Investment Amount.

Your questions answered

How can I invest?

You can speak to your financial adviser, who will help you make sure that the Investment housed in the policy is suitable for you. Once you regard this investment proposition as suitable for you, you can complete the relevant application form and investment instruction with your financial adviser and submit it to the address on the forms.

How can I monitor the performance of my Investment?

You will receive an investment confirmation soon after you have invested. We regularly make the performance fact sheets available on our financial adviser [website](#). You can obtain these by speaking to your financial adviser. You will also receive regular investment statements from the Administrator of your Investment. You can speak to your financial adviser if you have any questions.

Is there any currency risk in the Investment?

The Index is quoted in USD. Your Investment is in ZAR and any positive Index Performance is exposed to the ZAR/USD exchange rate over the Investment Term. Your initial investment is not exposed to any movements (positive or negative) in the ZAR/USD exchange rate, only the potential growth on the 5-year Equity index linked leg. This Investment does not utilise any of your individual foreign exchange allowances.

What happens to the Investment in the event of death?

In the event of death, the executor is required to submit relevant documents to sell the full investment at the prevailing market value. Long-term insurance policy allows for estate planning and there may be benefits to consider from the estate planning options available if you invest via a policy.

What happens at the end of the Investment Term?

On the Maturity Date of each leg half of the Investment (one and five years respectively), the Issuer will pay the capital and any after tax Investment returns to the Insurer within seven business days, and your policy will be credited with this amount. At the time, you will be able to elect an alternative option for your maturing funds. If you elect to take the portion of the funds available to you after one year, you will not be able to access the remaining balances in the policy for a further four years.

What are the tax implications of the Investment?

The long term insurer is subject to tax on the growth and maturity of this policy. The tax incurred by the long term insurer will be deducted from the policyholder's investment before payout. A long term insurer is required to maintain five separate funds, of which four are liable for tax. Each of the four tax paying funds is subject to specific income tax and capital gains tax rates. Any amendment to the tax legislation relating to long term insurers may affect the surrender value or maturity value of this policy. Should this occur, Absa Life Limited will contact you. Please obtain your own tax advice, relevant to your circumstances, prior to investing.

What other documents should I have read before I invest?

Along with this brochure you should have been provided with the Investment Schedule, and the policy Terms and Conditions, which will help you understand the Investment in detail. This brochure represents what Absa Bank Ltd believes to be the most relevant summary of the features and risks of the Investment, but is not intended to be the sole basis for any evaluation. You can read the pricing supplement to more fully appreciate the information associated with the Investment.

Is there a cooling-off period?

The Insurer will, as the Life insurer of the policy, allow up to 37 days from the Investment Start Date in which to change your mind about investing. However, any cancellation made after the Investment Start Date, as detailed above, might result in a capital loss as the cancellation will be done at the prevailing fair market price of the Investment. All fees that may have been paid will be refunded in full.

What are the potential risks associated with the Investment?

Credit risk

This Investment is issued by Absa Bank Limited and available through an endowment policy. The payments due to you depend on the Issuer meeting their obligations to you. If they cannot meet their obligations, you may lose some or all of your Investment Amount.

In the event of insolvency all investors would rank as unsecured creditors. That means that only after secured creditors receive payment of their secured claims as well as preferential creditor's claims are settled in full, unsecured creditors will receive a pro-rata dividend in accordance with the size of their claims from the remaining funds.

Financial institutions are rated to indicate to investors how capable they are of meeting any payment commitments.

Credit ratings are assigned by two leading ratings agencies: Standard & Poor's National (S&P) and Moody's National (Moody's). The highest ratings given by these agencies are Aaa.za from Moody's and zaAAA+ from S&P indicating, in their view, the least risky or most likely to meet payments when due.

The lowest ratings that they give, denoting the riskiest or least likely to meet the payments, are C (Moody's) and D (S&P). The actual and perceived ability of the counterparty to make payments due to you in respect of the Investment, may affect the market value of your Investment.

Furthermore, if the counterparty does fail to pay, you may get back less than is due to you or nothing at all. Please refer to the Investment Schedule (under the section 'Issuer Credit Rating') for the current credit ratings of Absa. As this investment is accessed via an Insurer that holds the Listed Note on behalf of the investors, the credit rating and solvency of the Insurer is equally important.

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Market risk

The value of the Investment on maturity of the Equity index Investment depends on the level of the Index and the indices comprising the Index, but future performance of the Index cannot be guaranteed. The value of your Investment during the Investment term can change unpredictably because of:

- The performance of the Index and the indices comprising the Index
- External factors including financial, political and economic events and other market conditions
- Sudden and unpredictable changes in interest rates.

Early redemption risk

Your Investment is designed to be held until maturity. If you redeem your Investment before five-year Maturity Dates, you could lose some or all of your Investment Amount.

Adjustments risk

The terms of the Investment permit us to delay, reduce or withhold payments in certain circumstances. These provisions are not intended to circumvent what is legally due to you as an Investor, but rather to cover unforeseen events that may affect your return, such as:

- A suspension or a delay in calculating the level of the Index or the price of any of the individual indices that make up the Index
- Errors in calculating an index
- Changes in the way an index is calculated
- An error in calculating the return itself.

While we will exercise due care and diligence in undertaking our responsibilities in relation to the Investment, the effects of the exceptional types of circumstances referred to in the above 'Adjustments' and 'Index risk' scenarios may decrease the value of your investment.

Index risk

Absa as the Issuer does not control or calculate any indices in the Index or the Index itself. While we do not expect this to happen, it is theoretically possible that, during the term of the Investment, any of the indices or the Index may cease to exist, cannot be calculated, is modified or cancelled. This is outside our power, and if it were to happen, the level of the relevant Index could fall. What this means is that you, as the Investor, could lose some of your Investment Amount, especially where the Issuer is forced by events to mature the Investment early. We could look for a replacement Index or try to calculate the Index ourselves. We would also have the right to redeem or cancel your Investment early. These circumstances could negatively impact the performance of your Investment.

The performance of indices is unpredictable and depends on financial, political, economic and other events as well as each underlying share or the Issuer's performance, market position, risk situation and structure, where applicable.

Early termination and adjustment risk

Your Investment may be terminated before maturity if there are certain market disruptions or other extraordinary events.

Absa may also delay, reduce, adjust or withhold payment in certain circumstances. These provisions are only intended to cover unforeseen events beyond our control that may impact the Investment.

Portfolio diversification risks

You should carefully consider the exposure that this Investment would have on your overall investment portfolio.

Issuance programme risk

The listed Note held by the Insurer is from the Issuer's Master Structured Note Programme. This has as part of its construction certain special events that could cause the listed Note to mature early. These include certain corporate actions, like delisting of the underlying securities if the reference index ceases to exist. In the unlikely event that these special conditions occur, the Issuer would have to redeem the listed Note and calculate the early redemption repayment amount as if an early redemption instruction had been received from an investor. There is potential for capital loss or change in tax treatment.

General risks

Other risks include the following, which could have an adverse effect on the value of your Investment:

- Inflation could erode the real value of your Investment.
- Market disruptions could adversely affect the performance of your Investment.
- Settlement disruptions may mean delays or failures of payments or returns by Absa, your investment platform, clearing system or other third-party paying agents or intermediaries.
- Index returns could differ from the actual returns on the shares that make up an Index. This is because an Index may not take into account income or changes to its constituents over time and may deduct fees and commissions.
- An investment in an Index may be taxed differently from a direct investment in the components of the same Index.
- Sponsor action could mean that the Index sponsor could change an Index and adjust their composition or calculation methodology, or even suspend or cancel an Index.
- Potential return/underperformance risk means that your returns could be less than if you invested in a deposit account or directly in the underlying assets to which the Investment is linked.

The risks associated with this policy are not limited to those described, but these are the key risks. Before investing, you should satisfy yourself that you fully understand the risks and you should consult with your own professional financial, tax and legal advisers where necessary.

Important information and disclaimer

This document is for information purposes only. All applications made by your investment platform to purchase an investment on your behalf require subsequent formal agreement by Absa, which will be subject to internal approvals and binding transaction documents.

Advice. This brochure and Investment Schedule do not constitute advice. Please consult your financial and tax adviser before investing.

You have no claim against the underlying asset(s) to which the Investment is linked. You will not have any recourse against any issuer, sponsor, manager, obligor or other connected person in respect of the indices.

Regulatory disclosure. Absa may disclose any information relating to your Investment that is required by regulators.

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FAIS License Category. Financial advisers need to be Fit and Proper for the following: Subcategory of Financial Product: 1.04 Long term Insurance Cat. C

Investor Declaration

The Investor hereby confirms that they have read and understood the information contained in this Brochure.

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Signed at

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Investor full name

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Signature of Investor (or duly authorised person/s for minor Investors)

--	--	--	--	--	--	--	--

Date (dd-mm-ccyy)

--

Signature of Contact Person or Legal Guardian

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Date (dd-mm-ccyy)

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Signature of authorised and mandated Financial Adviser

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Date (dd-mm-ccyy)

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Absa Bank Limited is an authorised Financial Services and Registered Credit Provider, NCRCP7

Legal disclaimer – Absa Life Limited

This linked endowment policy is underwritten by Absa Life Limited. Absa Life Limited Reg No: 1992/001738/06, is a licensed life insurer and an authorised financial services provider. Terms and conditions apply to the policy.

Index Disclaimer-S&P 500 PR Daily Risk Control 10% Index

Source: S&P Dow Jones Indices LLC

The launch date of the S&P 500 PR Daily Risk Control 10% Index (USD) was April 15, 2019. Where applicable, S&P Dow Jones Indices and its index-related affiliates ("S&P DJI") defines various dates to assist our clients by providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P DJI defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date. Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations. Information presented prior to an index's launch date is hypothetical back-tested performance, not actual performance, and is based on the index methodology in effect on the launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Also, the treatment of corporate actions in backtested performance may differ from treatment for live indices due to limitations in replicating index management decisions. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results. Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate certain ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using "Backward Data Assumption" (or pulling back) of ESG data for the calculation of back-tested historical performance. "Backward Data Assumption" is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as "product involvement") were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on "Backward Data Assumption" please refer to the FAQ. The methodology and factsheets of any index that employs backward assumption in the back- tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used. Index returns shown do not represent the results of actual trading of investable assets/securities. S&P DJI maintains the index and calculates the index levels and performance shown or discussed but does not manage any assets.

Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US \$100,000 investment for a 12-month period (or US \$10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US \$1,650), the net return would be 8.35% (or US \$8,350) for the year. Over a three- year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US \$5,375, and a cumulative net return of 27.2% (or US \$27,200).

The index sponsor has provided Absa Bank Ltd authority to use the index. Any changes to the index methodology will be published on SENS and communicated to the JSE.

Contact us

Investor

If you have any questions about this Investment or any other Absa investments, please contact your financial adviser.

Financial advisers

Financial advisers please contact the Structured Products team directly:

E aiss@absa.africa

Administrator

Most LISPs or Stockbrokers in South Africa could be the Administrator of the Investment. Please contact them to confirm if they can offer this service and for valuations, settlements and any administrative queries and full terms and conditions.

Complaints

Please contact your financial adviser or our compliance officer on:

T +27 11 895 6263, Option 2

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Let us help structure and define your investment outcomes

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