
Corporate and Investment Banking
Your unconventional story requires unconventional investments.
JSE Top 40 Growth Note (ZAR) Wrapped
For use within the Absa Life Linked Endowment Policy
cib.absa.africa
Your story matters
absa



Uncapped Access to the Top 40. Protect Your Capital.

Looking for a rand-based investment that protects your capital while giving you access to local equity growth?

The JSE Top 40 Growth Note (ZAR) is a five-year investment that offers 100% capital protection at maturity, together with participation in the uncapped performance of the **FTSE/JSE Top 40 Index**, one of South Africa's most recognised equity benchmarks.

The product is JSE listed and made available through the Absa Life Limited Linked Endowment Policy and is designed for investors seeking exposure to leading JSE listed South African companies while preserving their capital at maturity.

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 R 100 000.00.
- Want to diversify your portfolio to markets and assets in South Africa.
- Are attracted to the growth potential of local equity markets.
- Understand and are comfortable with the FTSE/JSE Top 40 Index.
- Are able to commit your money for five years.
- Do not want to risk your capital, provided that you hold your investment for the full term.
- Regard the terms governing the liquidity of the investment and the policy as appropriate for you.

This investment may not be suitable if you:

- Want foreign currency exposure.
- Do not understand or are not comfortable with the FTSE/JSE Top 40 Index.
- Are not willing to assume the full credit risk of the Issuer. If the issuer's creditworthiness declines during the investment term, the value of your investment may also decrease, potentially resulting in capital loss if the investment is sold before maturity. If the issuer is unable to repay the capital or any return due at maturity, you will receive less than the amount due or nothing at all (more information about the issue is provided later in this brochure).
- Cannot accept that the index may achieve no or very little growth and that the return on the index portion of your investment could after five years be zero or less than you could have earned in a low-risk deposit account.

How the investment works

At the beginning of the investment term (i.e. on the investment start date), we record the following:

- The closing level of the index at T from the investment start date. This is called the 'initial index level'.

Over the investment term, we record the following:

- The index level will be measured monthly during the final four months of the investment term. The average of the four measurements, will be calculated at Valuation Times as determined by the Calculation Agent. The last four months includes the maturity date. These dates will be available on the term sheet or Applicable Pricing Supplement post-trade.

On the maturity date, we calculate the index performance:

- The index performance is the difference between the arithmetic average of the last four monthly levels and the initial index.
- The participation rate will then be applied to index performance.

What you will receive on the maturity of your Investment:

- If the index performance is zero or negative, you will receive no additional returns, but you will receive your full initial investment amount back.
- If the index performance is positive, any returns are calculated by multiplying the index performance by the Participation Rate.

Please refer to the quote and the investment schedule for further information, specific dates and a current estimate of the participation rate.

About the Index

The FTSE/JSE Top 40 Index is a market capitalisation weighted index comprising the 40 leading companies in the **FTSE/JSE All Share Index.** The index provides diversified exposure to South Africa's largest listed businesses across sectors including financials, resources, telecommunications, consumer goods, healthcare, industrials and real estate. The index is calculated on a Price Return basis, meaning dividends paid by constituent companies are not reinvested and therefore do not contribute to index performance. Returns are driven solely by movements in the share prices of the underlying constituents.

The index factsheet can be found on the structured products website or ask your financial adviser to provide you with a copy.

Early Withdrawals

The investment is aimed at investors who do not need access to their money during the investment term. Only full withdrawals are permitted. Please note that any early withdrawal (prior to the investment's final maturity date) will be processed at the prevailing market value of the investment. As a result, you may receive less than your initial investment amount. Any withdrawal request must be made in accordance with the terms and conditions of the policy.

Your questions answered

How can I invest?

You can speak to your financial adviser, who will help you make sure the investment 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 will regularly make the performance fact sheets available on our website, which you can obtain 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 on the investment?

The FTSE/JSE Top 40 Index is denominated in South African rand (ZAR) and your investment is also in ZAR. As a result, investment returns are driven by the performance of the underlying South African equities and are not directly impacted by foreign exchange movements.

Can I access my investment before the maturity date and are there any fees involved?

The investment is aimed at investors who do not need access to their money before the end of the five-year investment term. Because the investment is held in the policy, **there are restrictions on the number of withdrawals you can make during the first five years.** Any early withdrawal will be based on the prevailing market value of the investment at the time. The market value will be calculated by the issuer and paid to the insurer. Please note that any such early withdrawal could result in a capital loss.

What happens to the investment in the event of death?

Upon death, the continuation of the investment will be dependent on the policy terms and conditions. For example, you are not the only Life Assured, ownership of the Policy will pass to the nominated beneficiary for ownership, or where no such beneficiary has been nominated, to your estate. The executor of your estate may, subject to the terms of the Policy, nominate a beneficiary for ownership to whom the Policy may be transferred. The Policy will continue until the earlier of the death of the last surviving life assured or the maturity date, whichever occurs first.

What happens at the end of the investment term?

On maturity of the investment, the issuer will pay the capital and any investment returns to the insurer within seven business days and your policy will be credited with this amount. You may then take your proceeds or choose to reinvest in any of the investment options that we may have available at the time.

If you choose to not redeem the proceeds at maturity, the funds will be automatically be invested in an Absa Money Market Fund.

What other documents should I read before I invest/what are the transaction documents?

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 31 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 tax implications of the investment?

The tax treatment of this investment will depend on the specific circumstances of the individual investor and may change over time. As returns are linked to the performance of the underlying index and are not guaranteed upfront, any gains realised may be treated differently from interest income for tax purposes, depending on the applicable tax rules and the investor's circumstances.

This information is provided for general informational purposes only and does not constitute tax advice. Investors should seek independent professional tax advice before investing.

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.

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.

Market risk

The value of the investment on maturity 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; and/or
- External factors including financial, political and economic events and other market conditions; and/or
- Sudden and unpredictable changes in interest rates.

Early redemption

The investment is aimed at investors who do not need access to their money during the investment term. Only full withdrawals are permitted. Please note that any early withdrawal (prior to the investment's final maturity date) will be processed at the prevailing market value of the investment. As a result, you may receive less than your initial investment amount. Any withdrawal request must be made in accordance with the terms and conditions of the policy.

Adjustments

The terms of the investment permit us to delay, reduce or withhold payment 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 which may affect your return, such as:

- A suspension or delay in calculating the level of an index or the price of any of the individual indices that make up an 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 '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 beyond our control, 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 of 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 which may impact the investment.

Portfolio diversification

You should carefully consider the exposure that investing in 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 exceptional circumstances arise, 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 performance may be negative which 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 limited to the guaranteed capital amount 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 product key information document does not constitute as advice.

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 reference entity or other connected person in respect of the underlyings.

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

Confidentiality. This document is confidential. No part of it may be reproduced, distributed or transmitted without Absa's written permission.

Copyright. Copyright Absa Bank Limited, 2024 (all rights reserved).

FAIS License Category. Financial advisers need to be Fit and Proper for the following: Subcategory of Financial Product: 1.4 Long-term Insurance Cat. C.

Investor Declaration

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

Signed at

Investor full name

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

Date (dd-mm-ccyy)

Signature of Contact Person or Legal Guardian

Date (dd-mm-ccyy)

Signature of authorised and mandated Financial Adviser

Date (dd-mm-ccyy)

Legal disclaimer – Absa Bank Limited

This brochure/document/material/report/communication/commentary ('this commentary') has been prepared by the corporate and investment banking division of Absa Bank Limited, a registered bank in the Republic of South Africa with company registration number 1986/004794/06 and with its registered office at Absa Towers West, 15 Troye Street, Johannesburg 2001, Republic of South Africa ('Absa'). Absa is regulated by the South African Reserve Bank. Absa has issued this commentary for information purposes only and you must not regard this as a prospectus for any security or financial product or transaction. Absa does not expressly, tacitly or by implication represent, recommend or propose that the securities and/or financial or investment products or services ('the products') referred to in this commentary are appropriate and/or suitable for your particular investment objectives or financial situation or needs. This commentary is not, nor is it intended to be, advice as define and/or contemplated in the Financial Advisory and Intermediary Services Act, 37 of 2002 ('FAIS Act'), or any other financial, investment, trading, tax, legal, accounting, retirement, actuarial or other professional advice or service whatsoever ('advice'). You have to obtain your own advice prior to making any decision or taking any action whatsoever based hereon, and Absa disclaims any liability for any direct, indirect or consequential damage or losses that you may suffer from using or relying on the information contained herein, even if notified of the possibility of such damage or loss and irrespective of whether or not you have obtained independent advice. This commentary is neither an offer to sell nor a solicitation of an offer to buy any of the products, which will always be subject to Absa's internal approvals and a formal agreement between you and Absa. Any pricing included in this commentary is only indicative and is not binding as such on Absa. All the risks and significant issues related to or associated with the products are not disclosed and therefore, prior to investing or transacting, you should fully understand the products and any risks and significant issues related to or associated with them. The products may involve a high degree of risk, including but not limited to, the risk of (a) low or no investment returns, (b) capital loss, (c) counterparty or issuer default, (d) adverse or unanticipated financial market fluctuations, (e) inflation and (f) currency exchange. The value of any product may fluctuate daily as a result of these risks. Absa does not predict actual results, performances and/or financial returns, and no assurances, warranties or guarantees are given in this regard. The indicative summaries of the products provided herein may be amended, superseded or replaced by subsequent summaries without notice. The information, views and opinions expressed herein are compiled from or based on trade and statistical services or other third-party sources believed by Absa to be reliable and are therefore provided and expressed in good faith. Absa gives no recommendation, guide, warranty, representation, undertaking or guarantee concerning the accuracy, adequacy and/or completeness of the information or any view or opinion provided or expressed herein. Any information on past financial returns, modelling or back-testing is no indication of future returns. Absa makes no representation on the reasonableness of the assumptions made within or the accuracy or completeness of any modelling or back-testing. All opinions, views and estimates are given as of the date hereof and are subject to change without notice. Absa expressly disclaims any liability for any damage or loss as a result of errors or omissions in the information, data or views contained or expressed herein even if notified of the possibility of such damage or loss. Absa does not warrant or guarantee merchantability, non-infringement of third-party rights or fitness for a particular use and/or purpose. Absa, its affiliates and individuals associated with them may (in various capacities) have positions or deal in securities (or related derivative securities), financial products or investments identical or similar to the products. Absa intends to make this commentary available in South Africa to persons who are financial services providers as defined in the FAIS Act, as well as to other investment and financial professionals who have professional experience in financial and investment matters. You should contract and execute transactions through an Absa Bank Limited branch or affiliate in your home jurisdiction unless local regulations permit otherwise. Absa Bank Limited is a licensed financial services provider. Absa has taken no action that would permit a public offering of the products in any jurisdiction in which action for that purpose is required. The products will only be offered and the offering material will only be distributed in or from any jurisdiction in circumstances, which will result in compliance with any applicable laws and regulations and which will not impose any obligation on Absa or any of its affiliates. In this commentary, reference is made to various indices. The publishers and sponsors of those indices ('the publishers and sponsors') do not endorse, sponsor or promote the products and make no warranty, guarantee, representation or other assurance (express, tacit or implied) relating to the indices. The publishers and sponsors make no warranties (including merchantability and fitness for purpose). The publishers and sponsors will not incur any liability in respect of any damage or loss that you may suffer as a result of investing in a product even if notified of the possibility of such damage or loss. The publishers and sponsors may amend the composition or calculation of indices and have no obligation to have regard to your or Absa's need in this regard. The information and views contained in this commentary are proprietary to Absa and are protected by copyright under the Berne Convention. In terms of the Copyright Act, 98 of 1978, as amended, no part of this commentary may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, electronic scanning, recording, or by any information storage or retrieval system, without the prior permission in writing of Absa. The illegal or attempted illegal copying or use of this information or views may result in criminal or civil legal liability.

Absa Bank Limited, Reg No 1986/004794/06, Authorised Financial Services Provider Registered Credit Provider Reg No 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.

FTSE/JSE Top 40 Index Disclaimer

Source: FTSE Russell.

The FTSE/JSE Top 40 Index is calculated by FTSE International Limited in conjunction with the Johannesburg Stock Exchange (JSE). FTSE®, Russell® and FTSE Russell® are trademarks of the relevant London Stock Exchange Group companies and are used under licence. The JSE is a trademark of the Johannesburg Stock Exchange and is used under licence. Neither FTSE Russell, the JSE nor their licensors sponsor, endorse, recommend or promote this product and make no warranty or representation regarding its performance or suitability. All rights in and to the FTSE/JSE Top 40 Index vest in FTSE Russell and/or its licensors.

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:

E Mike.Pithey@absa.africa
15 Alice Lane, Sandton, 2196, Gauteng, South Africa

Let us help structure and define your investment outcomes
Email us aiss@absa.africa