



# Phoenix Autocall Range

## Introduction

Phoenix Autocall Note is designed for investors seeking pre-defined returns from what they expect to be relatively benign or even slightly downward trending markets over the medium term. In addition, the Notes are also attractive to investors wanting protection from all but the largest falls in markets and insist on a large buffer to be in place before any capital is at risk. Invested capital is at risk if any of the Underlying Assets close below the Protection Barrier level at Maturity. It is not the intention of the Note to track or replicate the performance of the Underlying Assets.

## Product Characteristics

**Issuer:** International Investment grade bank (S&P Global long term credit rating of A or better)

**Distributor:** Absa Bank Ltd

**Term:** 6 years

**Indicative Investment return:** Conditional annual coupons paid annually

**Observation Dates:** Memory Coupon, annual. Autocall, starting in yr 3

**Underlyings:** Euro Stoxx 50 Index, S&P 500 Index, FTSE 100 Index, MSCI Emerging Markets Index

**Strike Date:** TBC - trades monthly

Currency	Autocall Barrier*	Annual Coupon Barrier*	Conditional Annual Coupon	Capital Protection Barrier*
USD	100%	85%	6.50% p.a.	60%
GBP	100%	85%	4.50% p.a.	60%

\*Expressed as a percentage of each Underlying Asset(s) initial level observed on Strike Date.

## Description

An investment with a 6-year maturity linked to a basket of Indices.

- **Conditional Annual Coupons**

From the 1st annual observation date, conditional annual coupons will be paid, if all the Underlying Assets close at or above the Coupon Barrier.

Should a coupon not be paid, due to the underlying index being below the coupon barrier in a specific year, such a missed coupon could be paid at a subsequent observation date by means of the memory feature. This coupon will be less any previously paid coupons. Otherwise no investment return will be paid in that year, and the Note will continue for up to 6 years.

- **3 opportunities of early redemption**

From the 3rd annual observation date, the Notes can redeem early if all the Underlying Assets close at or above the Autocall Barrier. On early redemption, the Notes return 100% of the invested capital.

## Repayment at Maturity

In the case there is no early redemption, aside from the possible Conditional Annual Coupons described above, at the final valuation date:

- The Note will return 100% of invested capital as long as none of the Underlying Assets close below 60% of their initial level (the Protection Barrier).
- Capital is at risk if any Underlying Assets close below the Protection Barrier of 60% of its initial level in which case investors will receive the invested capital decreased by the performance of the worst performing Underlying Asset thus resulting in a partial or total loss of their invested capital.

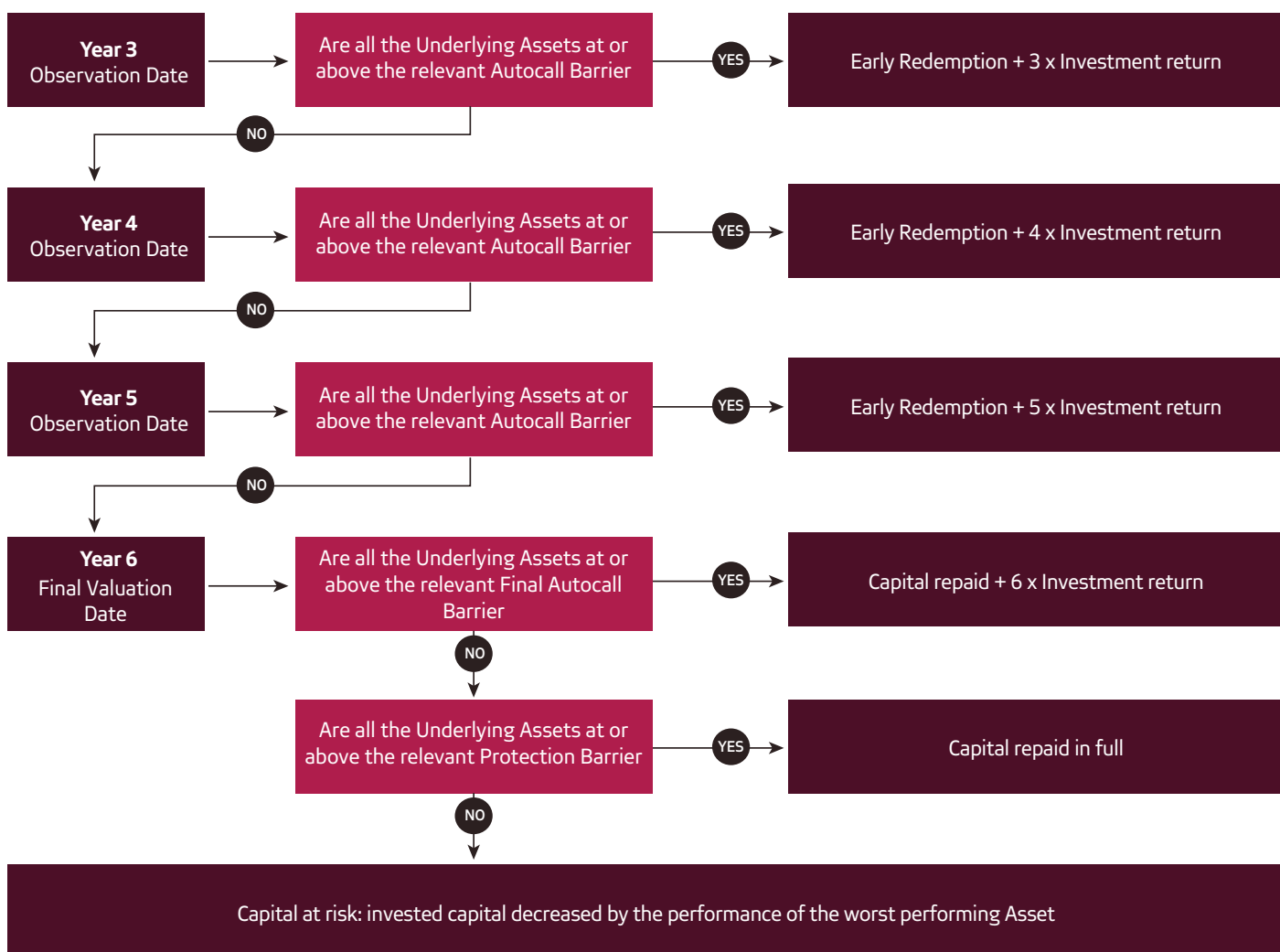
## Advantages

- Potential for pre-defined returns, in a flat or moderately falling market conditions.
- Early redemption if all of the Underlying Assets are equal or above the Autocall Barrier on any anniversary.
- Capital protection at Maturity if the Underlying Assets close at or above the Protection Barrier and there is no default by the issuer.
- Memory Feature that allows previously missed Conditional Annual Coupons to be recaptured.

## Key risks

- Investment return potential capped since investors do not participate directly in any capital growth in the Underlying Assets.
- Risk of partial or total loss of capital: If any of the Underlying Assets close below the Protection Barrier at maturity, Capital repayment will be decreased by the performance of the worst Underlying Asset. In this case the return could be lower than a direct investment in the Underlying Assets.
- Risk of decreased return: Risk of no Conditional Annual Coupon if any Underlying Asset closes below the relevant Coupon Barrier on any anniversary.
- Risk of issuer: Risk of partial or total loss of capital and no income in the case of bankruptcy or payment default by the issuer.
- Selling out of note early may result in a capital loss: If the notes are sold or redeemed prior to maturity, the price will depend on numerous factors, including the level of volatility of the underlying indices, the remaining time to maturity, interest rates and the perception of the issuers credit quality, and may be less than the amount initially invested

## Payoff diagram



# The Underlyings

## Indices at a glance

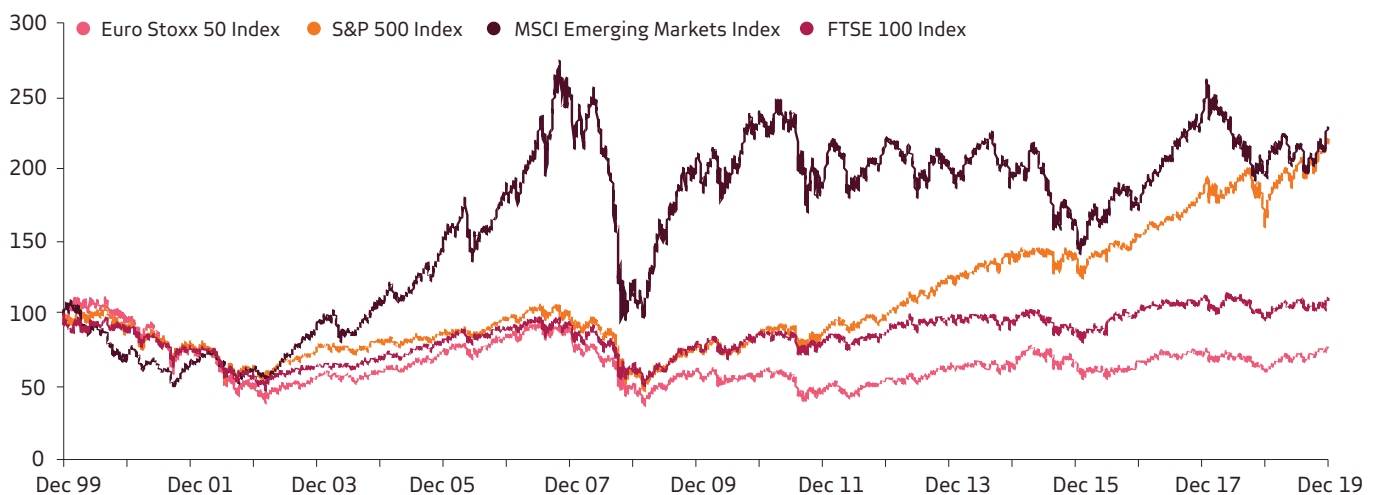
The **EUROSTOXX 50** Index, Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of supersector leaders in the Eurozone. The index covers 50 stocks from 12 Eurozone countries. The Index is licensed to financial institutions to serve as underlying for a wide range of investment products such as Exchange Traded Funds (ETF), Futures and Options and structured products.

Standard and Poor's 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index was developed with a base level of 10 for the 1941-43 base period.

The FTSE 100 is a market-capitalisation weighted index of UK-listed blue chip companies. The index is part of the FTSE UK Series and is designed to measure the performance of the 100 largest companies traded on the London Stock Exchange that pass screening for size and liquidity. FTSE 100 constituents are all traded on the London Stock Exchange's SETS trading system.

The MSCI Emerging Markets Index captures large and mid cap representation across 26 Emerging Markets (EM) countries\*. With 1,404 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

## Rebased Performance of the Indices



Source: Refinitiv, Absa Corporate and Investment Banking, January 2020

## Important information about the Investment

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The tax implications of this product can be complex and depends on the facts and circumstances of each investor. Please obtain your own tax advice, relevant to your circumstances, prior to investing.

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