



Emerging Markets Digital Plus

18 May 2021



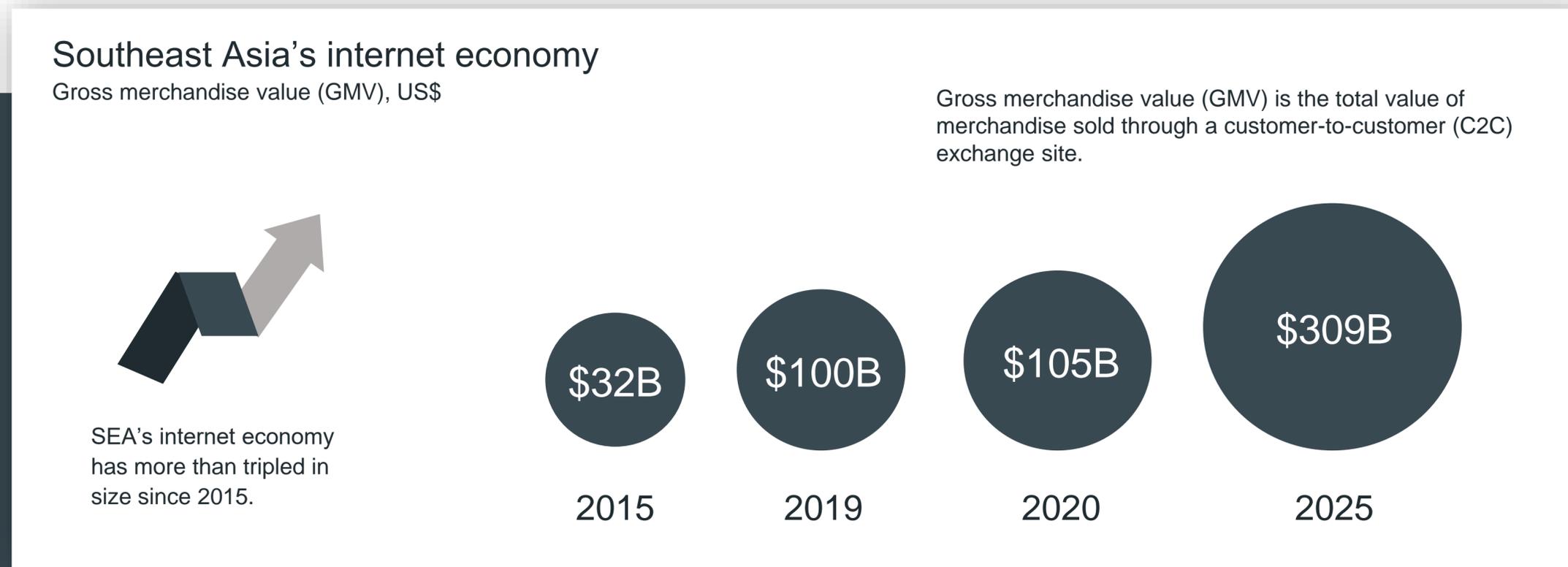
An investment product
designed to provide investors
with an attractive return in
USD referencing the MSCI
Emerging Market Index.



Why the MSCI Emerging Market Index?

Historically, emerging market equities have underperformed their developed market counterparts, however we are seeing several economic factors that are starting to turn the tide. GDP growth forecasts out of regions such as China, India and South-East Asia are expected to exceed 7%. Low interest rates and increased liquidity are driving inflows to the sector. Commodity-rich nations such as Mexico and Brazil are beneficiaries of the commodity rally coupled with current USD weakness.

A younger demographic is driving up domestic consumption. Furthermore, emerging markets are fortifying their economies by riding the technological boom currently shaping the globe. Emerging markets now have a similar tech concentration at the top as the S&P 500. Whilst emerging markets tend to fall sharply in times of economic distress, their increased self-reliance will insulate these economies in future, making them more resilient and quicker to recover from adverse market moves.



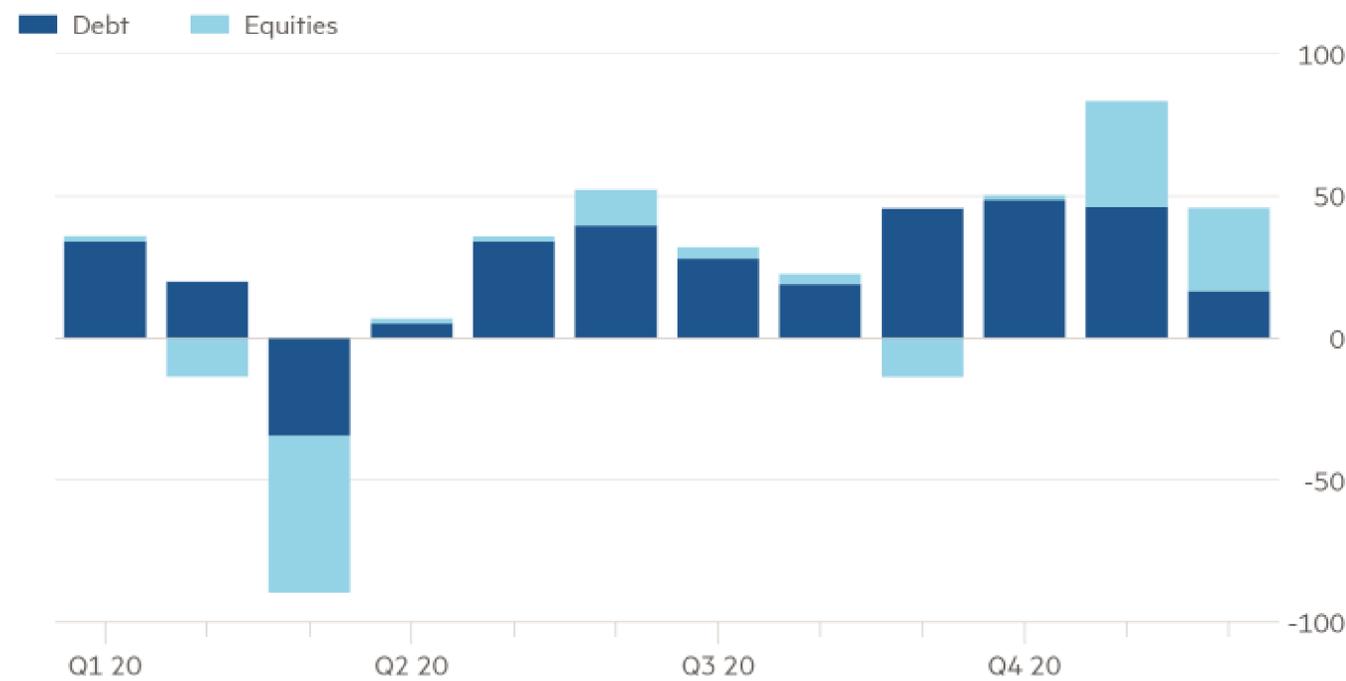
Source: Google, Temasek, Bain & Company (Nov 2020). For illustrative purposes only.

This graph depicts the exponential historical growth as well as forecast growth of e-commerce in Southeast Asia.

Why the MSCI Emerging Market Index?

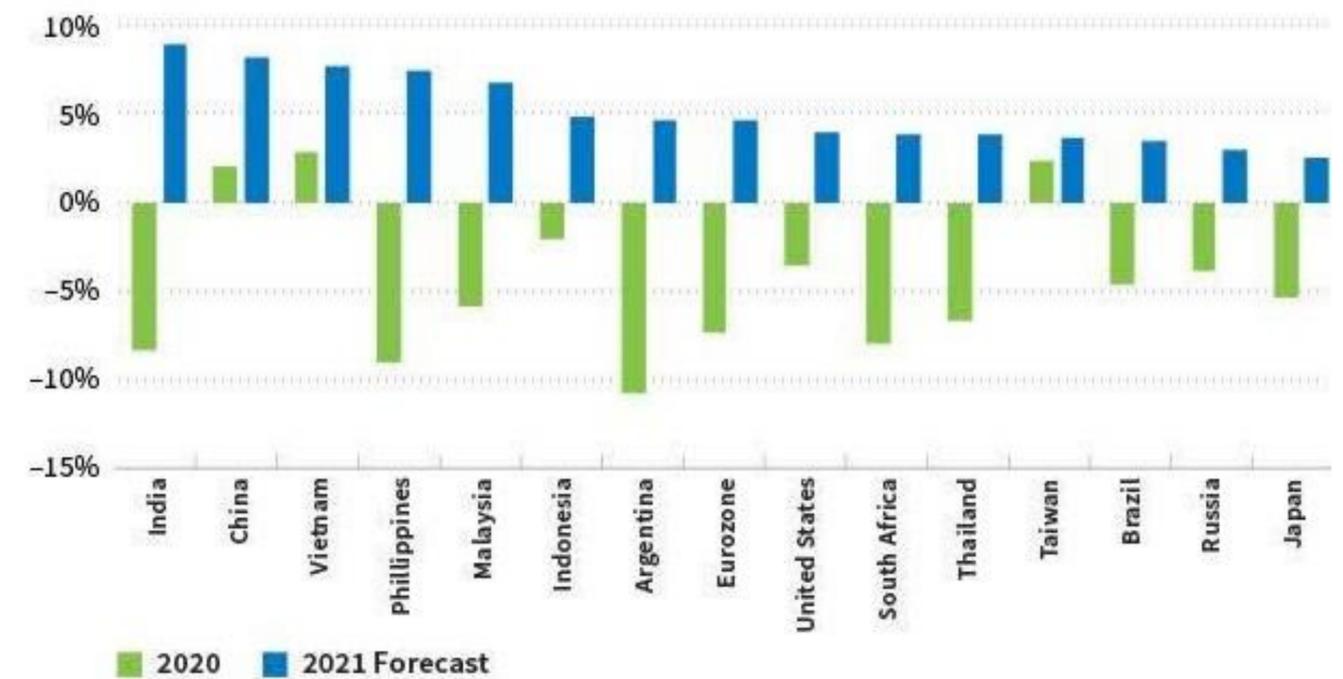
Investors returned to EM assets after record outflows in March 2020

Monthly cross-border flows to 63 emerging debt and equity markets (\$bn)



Source: Institute of International Finance
© FT

GDP Growth Forecasts for Emerging and Developed Markets



Source: Bloomberg, as of January 2021.

Following the sharp decline in EM markets during the Covid 19 pandemic, equity and bond inflows into EM have reached record heights. In addition, EM is set to continue its growth trajectory with GDP forecasts for 2021 exceeding that of developed markets.

Offshore listing

Offshore Emerging Markets Digital Plus | USD MSCI listed on the Euronext Dublin Exchange (externalised funds, settled in USD)

OR

Domestic listing

Domestic Emerging Markets Digital Plus | USD MSCI listed on the Johannesburg Stock Exchange (settled in ZAR)



Term to maturity
4 year investment term



Growth
22.00% minimum digital return in USD should the Index end flat/ positive + full upside above 22.00%



Capital protection
100% capital protection in USD provided the index does not end below 70% of initial index level



Credit reference entity
Credit linked to Barclays Plc

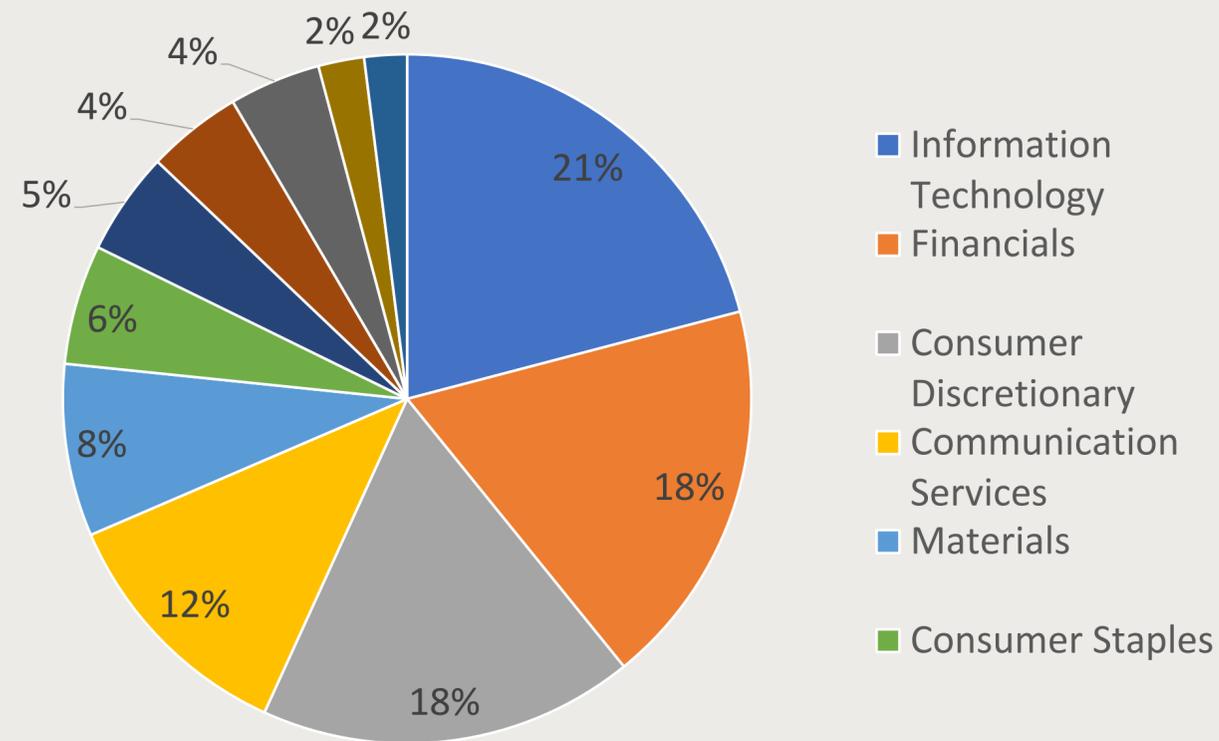


Advisor fees
0.75% per annum (incl VAT)

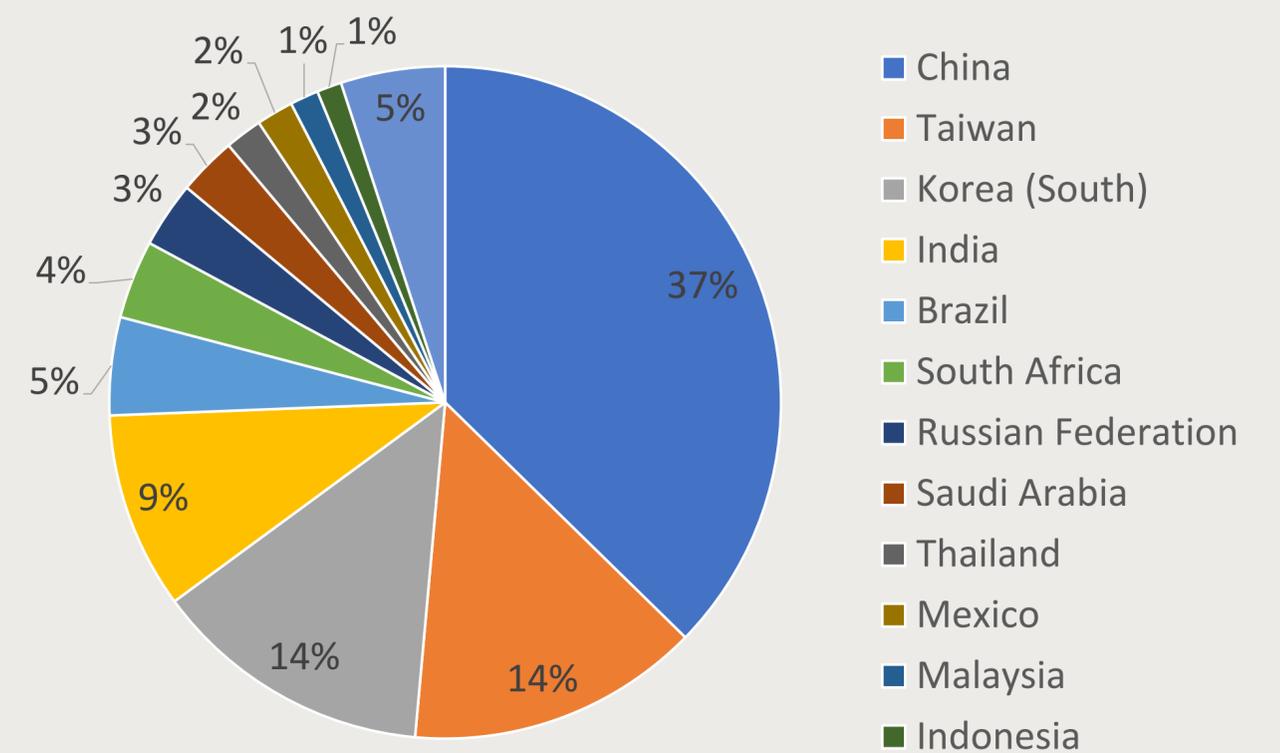


Minimum investment
Offshore:
\$125 000 and increments of \$1 000
Domestic:
R100 000 and increments of R1 000

Sector weight



Geographic weight



Number of constituents	1,392
Weighting method	Float-adjusted market cap weighted
Rebalancing frequency	Semi-annual



*Source: Bloomberg

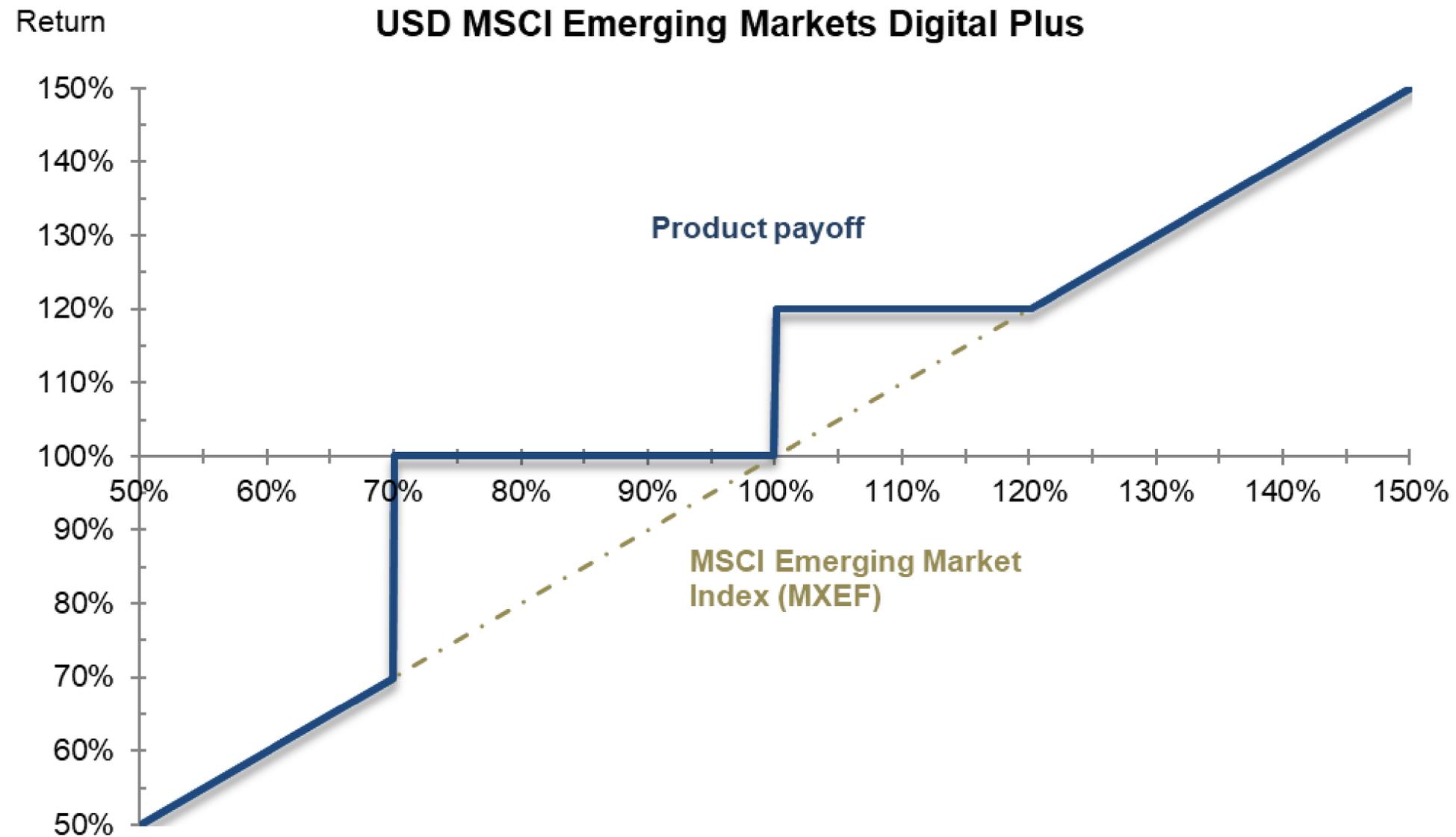
MSCI World vs Emerging Market PE Multiple



Emerging market equities are currently trading at a 30% discount to developed markets, providing attractive price point for investors to enter a market with high prospects for growth.

*Source: Bloomberg

Payoff profile



Product pays 22% if the index is flat/positive + 100% of the upside beyond 22%



100% Capital Protection measured at maturity should the index not fall by more than 30%

Digital and gearing back testing



Outcome	Distribution of returns
Greater than 22% return	52.8%
Digital return 22%	14.7%
Returned capital	27.8%
Negative return (breached barrier)	4.8%

Historically, on a rolling 4 year basis, the index has breached the 70% barrier only 4.8% of the time

*Starting date from first available data point

Fees and how to invest



0.75%

Annual fee for 4 years (incl VAT)



Invest

Via a stockbroking account

- Investors are required to have stockbroking accounts in order to invest
- Financial advisors need the following FSCA licenses

FSP category	Financial products
Category I	1.24 Structured Deposits; or 1.11 Warrants, Certificates and other instruments (domestic listing only); or 1.13 Derivative Instruments (offshore listing only); or 1.4 Long-term insurance subcategory C (for life wrapper only)
Category II	2.8 Warrants, Certificates and other instruments (domestic listing only); or 2.10 Derivative Instruments (offshore listing only); or 2.18 Structured Deposits or

All fees, including distribution, listing costs and licensing costs, have been priced into the product and will not affect the investor's return.

- The information provided in this brochure is general information and should not be construed as tax advice
- It is recommended that prospective investors seek independent professional legal, tax and accounting advice and consider the investment in the light of the Investor's particular circumstances
- No responsibility is accepted by IBL for the treatment of any court of law, tax, banking or other authority in any jurisdiction of the investment and no undertaking, warranty or representation is given regarding the outcome of any such investment

- As the Investec Autocalls are credit linked to Barclays plc, should a Credit Event (bankruptcy, failure to pay, obligation default, repudiation/ moratorium, government intervention and restructuring) occur in respect of the Investec Bank Ltd or Barclays plc, the return would be reduced in accordance with the recovery ratio
- If a credit event occurs in respect of the Barclays plc, on or before the maturity date, the Emerging Markets Digital Plus will terminate on the maturity date and the investor will receive the following: the market value of the Emerging Markets Digital Plus on the business day immediately prior to the date of the credit event multiplied by the recovery ratio
- The debt represents general, unsecured, senior, contractual obligations of the Investec Bank Ltd and Barclays plc

Important Dates

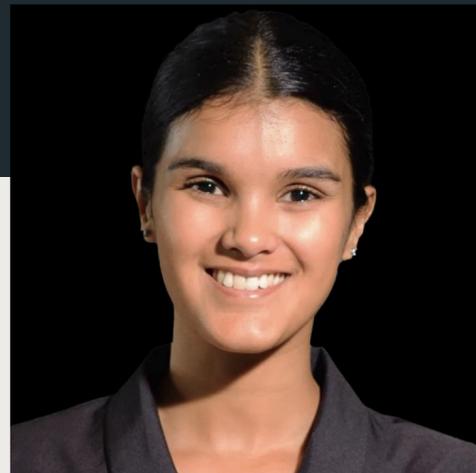
	Domestic listing	Offshore listing
Closing date	9 July 2021	16 July 2021
Trade date	14 July 2021	21 July 2021
Maturity date	14 July 2025	21 July 2025
Listing date	21 July 2021	23 July 2021

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