

Itransact Thematic Investment Series

## MEGA TRENDS AUTO CALL

Robotics & Artificial Intelligence

USD

(Issue S1P2)

12% per annum USD



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# What are mega trends?

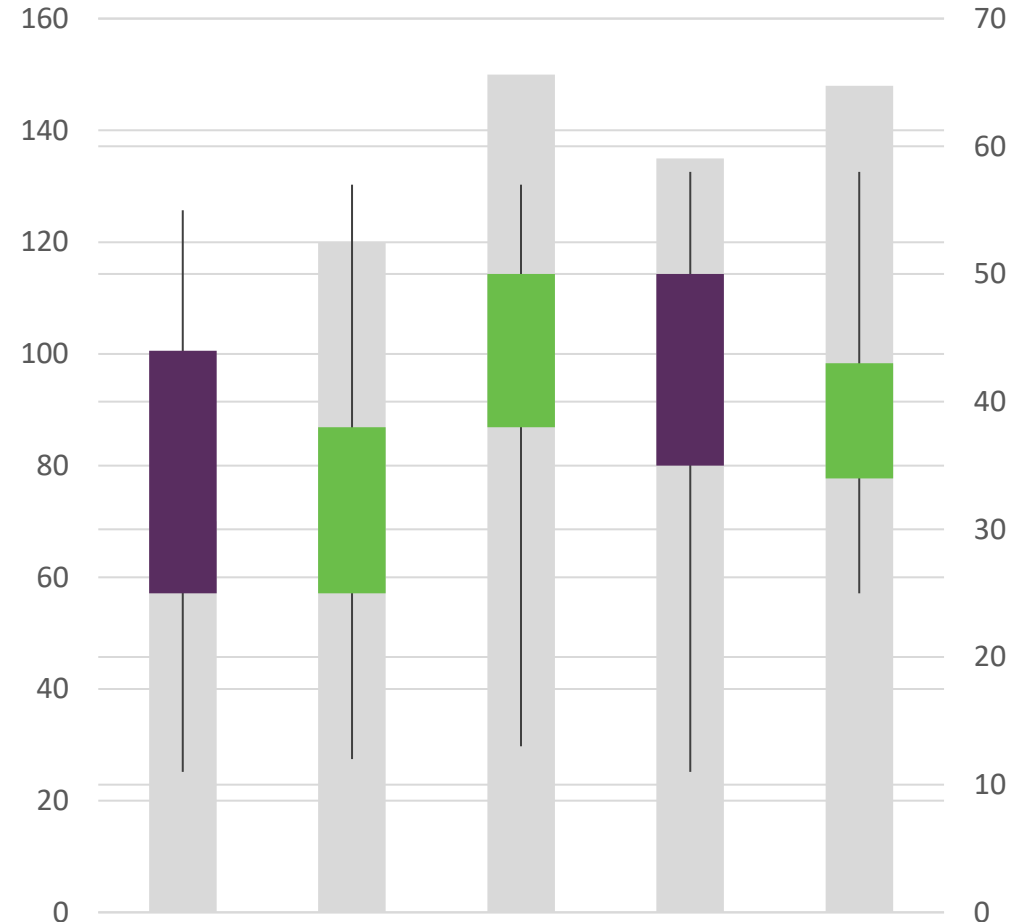
Megatrends are massive macroeconomic and geostrategic forces that are re-shaping our world.

They have the power to cause major shifts in societies, economies and even governments.

Global companies such as Johnson & Johnson, Alphabet Inc, Intel and Seiko Corporation are already investing in new innovative technologies to profit from the opportunities these unavoidable forces present.

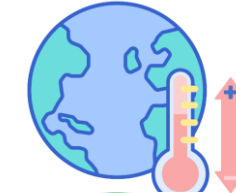
This also presents a major opportunity for investors who wish to participate in the expected growth of these companies.

**The future is being reshaped and its time to get ready!**



# Five mega trends shaping our future

1. **Shifting economic power.** China could be the next superpower.
2. **Climate change & resource scarcity.** Rising temperatures & sea levels. Phasing out of fossil fuels. Increased food and water demands. Fish depleted oceans.
3. **Technology breakthroughs.** Machines already learn faster and better than humans. Automation of day to day activities.
4. **Demographics and social change.** Explosive population growth in Asia, India and Africa. People living longer.
5. **Rapid urbanisation.** Most people will live in cities. Space and housing shortages. City planning and infrastructure will be re-imagined.



# Suitability

This product may be suitable for investors who;

- Wish to participate in the potential growth of mega trends.
- Want to invest in USD currency (ZAR investors may convert their Rands into USD by using their SARB single discretionary allowance SDA).
- Want a product that has the potential to generate a pre-determined return during a flat or sideways moving market.
- Are committed to a 5-year term but are comfortable that the product may redeem after 3 years.
- Are prepared to put the amount they invest at risk in exchange for the potential of higher returns.



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# Features

- Minimum Investment \$10, 000 (\$1 000 per unit).
- Potential for annual coupon payments from year 3 of the investment product.
- Coupons of 12% per annum in USD.
- Capital at risk if barrier of 70% is triggered at maturity.
- Returns linked to the performance of the Solactive Robotics & AI EUR Index 5% AR (Solactive is one of the worlds largest index providers).
- Investment Grade Bank (Investment grade refers to the quality of a company's credit. To be considered an investment grade issue, the company must be rated at 'BBB' or higher by Standard and Poor's or Moody's).
- Choice of potential issuers - Citi Group, Barclays Bank, Goldman Sachs or Morgan Stanley. (To be determined at the time of execution from the issuer who provides the highest coupon level).
- Custodian of product is Société Generale.



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# Fees

This product may only be acquired through an appropriately licenced financial advisor and is not available to direct investors.

## **Advice fees 3.25% inclusive of Vat**

- The total advice fee is integrated into the product and has been taken into account when setting the return for the product meaning the impact of your advice fee costs are already included in the products return.
- For clarity, no advice fees are taken away from your amount invested provided you remain invested up to and including the final maturity date.

## **Administration fees 1.00% inclusive of Vat**

- The total administration fee is **not** integrated into the product and will be taken off the initial investment amount before investing into the product. Please ensure you take the unit price of \$1,000 into account when calculating your final investment amount.
- Note that your bank may also charge you an amount to remit your investment amount to the administrator.
- For clarity, the administration fee will be taken away from your investment amount before investing into the product. Any amount that cannot buy a full unit will remain in your cash account at no interest.

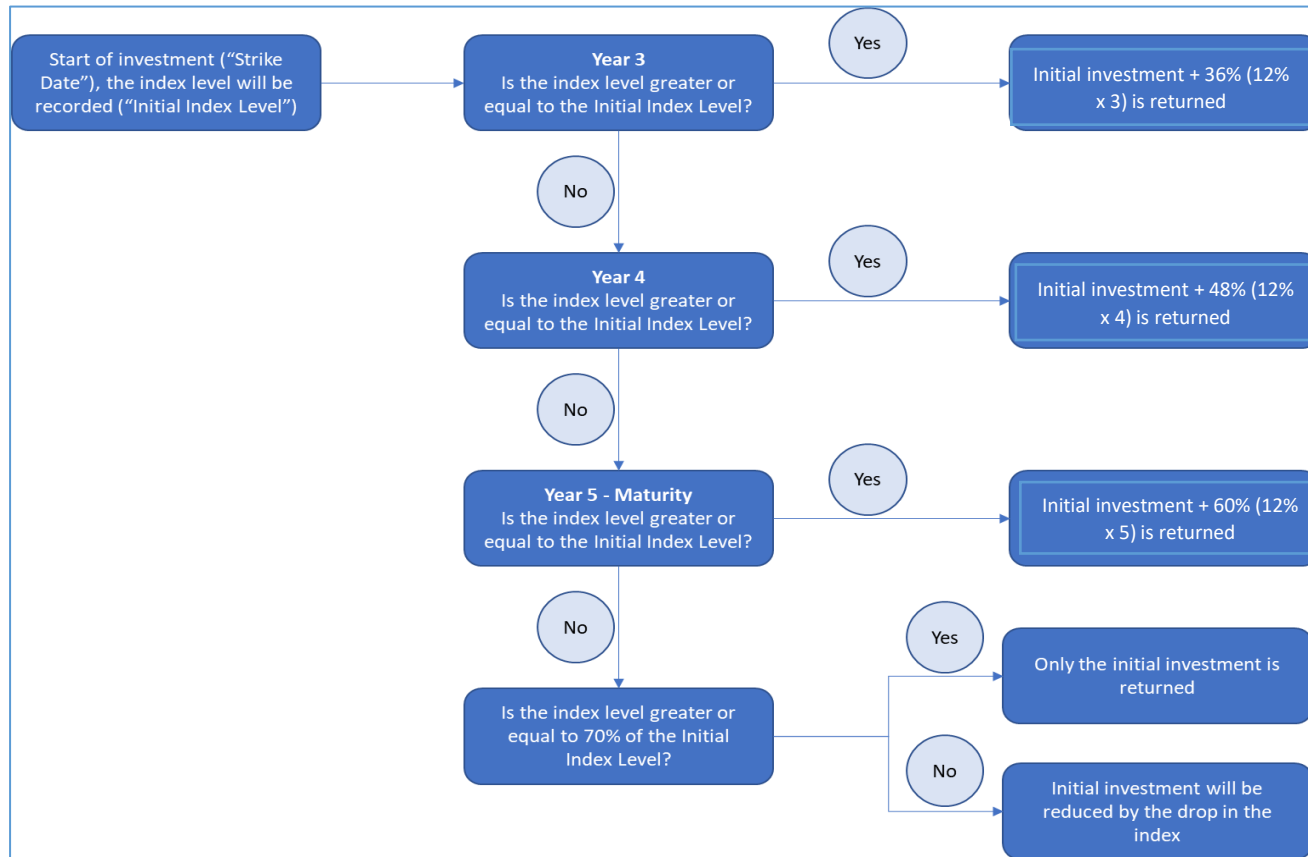
# Risks

- This product does not guarantee to repay the amount you invest and you should be prepared to risk losing some or all of your investment. If, at maturity, the final index level has fallen below the barrier level, the product may return less than the amount invested.
- Investor is exposed to the issuing banks creditworthiness.
- There is no exposure to Itransact, we act only as the administrator.
- This brochure explains some the key features and risks of this investment and must be read together with both the product investment schedule and the administrator terms & conditions.
- Neither the administrator, the arranger or the product issuer provide investment advice. We recommend you seek advice from an appropriately licensed independent financial adviser before investing in this product as they will be able to determine whether it is suitable for your needs.



# How it works

It is important to read the current investment schedule associated to this product in conjunction with this document. The investment schedule will define the current investment details, rates, expected returns and fees. [View Schedule](#)



## At maturity

**Scenario 1** (Index moves sideways or upwards)

100% Capital returned + annual coupons

**Scenario 2** (Index falls up to 30%)

100% Capital returned

**Scenario 3** (Index falls more than 30%) 100% Capital at risk

# Index composition

25 March 2022 (Solactive)

- Solactive Robotics & AI EUR Index 5% AR

## TOP COMPONENTS AS OF 25-Mar-2022

Company	Ticker	Country	Currency	Index Weight (%)
TESLA INC	TSLA UW Equity	US	USD	3.81%
NVIDIA CORP	NVDA UW Equity	US	USD	3.73%
COGNEX CORP	CGNX UW Equity	US	USD	3.64%
INTEL CORP	INTC UW Equity	US	USD	3.57%
MODERNA INC	MRNA UW Equity	US	USD	3.55%
BLACKBERRY LTD	BB UN Equity	CA	USD	3.53%
JOHNSON & JOHNSON	JNJ UN Equity	US	USD	3.53%
INTERNATIONAL BUSINESS MACHINES CORP	IBM UN Equity	US	USD	3.52%
APPLE INC	AAPL UW Equity	US	USD	3.47%
TERADYNE INC	TER UW Equity	US	USD	3.45%

## COMPOSITION BY COUNTRIES

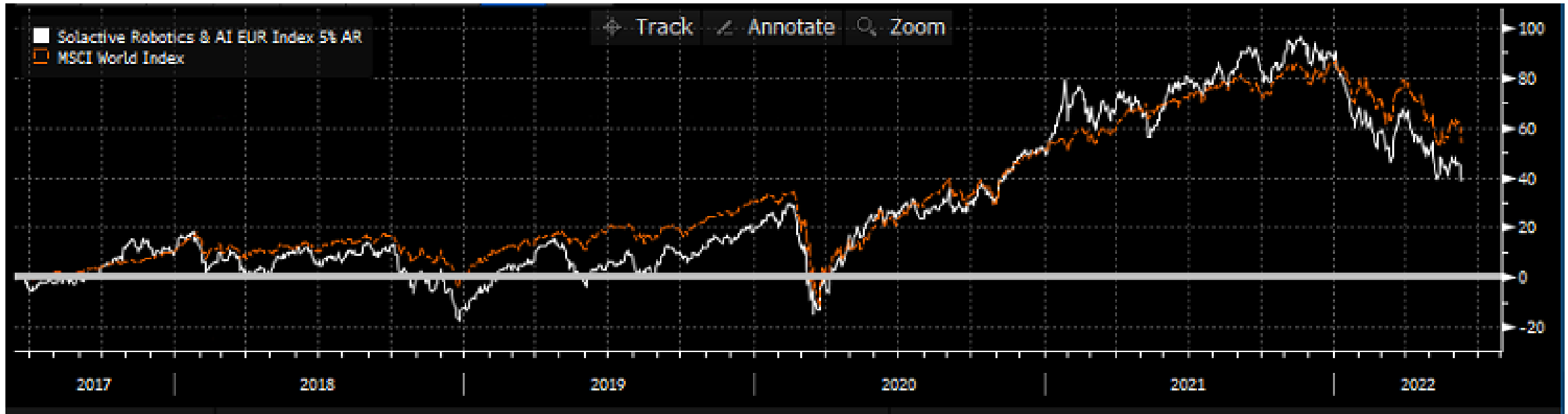
- US 55.7%
- JP 25.9%
- CA 3.5%
- IE 3.4%
- Others 11.4%



# Index price history (Solactive vs MSCI)

13 June 2022 (Bloomberg)

A price history of the Solactive Robotics & AI EUR Index 5% AR.



Source: Bloomberg



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# How to invest

## FOREIGN CURRENCY INVESTORS

1. Complete the application form and send it to us
2. Itransact will provide you with the product bank details after it has verified you (FICA)
3. **Transfer directly into the bank details provided. (Only USD accepted)**
4. Send us the proof of payment
5. We complete your investment and send you a confirmation email
6. View and manage your investment anytime with our online portal or app



## SOUTH AFRICAN RAND INVESTORS

1. Complete the application form and send it to us
2. Itransact will provide you with the product bank details after it has verified you (FICA)
3. **Ask your bank/forex provider to convert your Rands into USD and deposit it directly into the bank details provided** (You may invest up to R1m per annum without SARB approval)
4. Send us the proof of payment
5. We complete your investment and send you a confirmation email
6. View and manage your investment anytime with our online portal or app



# Important dates

Activity	Date
Subscription open	20 June 2022
Subscription close	22 July 2022
Date of issue	29 July 2022
1 <sup>st</sup> coupon observation	29 July 2025
2 <sup>nd</sup> coupon observation	29 July 2026
Maturity	29 July 2027

# Disclaimer

## **Itransact is an authorised financial services provider. FSP 650**

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