

East Asian Growth Basket Limited

Presentation & FAQ

4 April 2022



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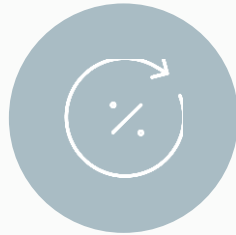
Product Overview (closes 22 June 2022)

Growth



A 5-year equity investment linked to growth in diversified global equity markets

Return



At least 100%* upside participation capped at an index level of 40% in global equity markets.

*Indicatively **120% participation** as of 31 March 2022.

- S&P500 (45%)
- Euro Stoxx 50 (20%)
- Nikkei 225 (20%)
- Global emerging markets ETF (15%)

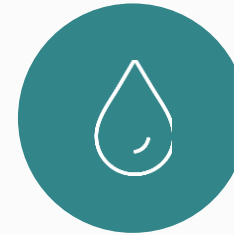
Capital Preservation



100% protected at maturity in USD*

Note: Call Date of the debt instrument is explained on the next slide

Liquidity



Daily liquidity in normal market conditions

Minimum Investment



USD 19,000
or
AUD 25,000

*Principal protection:

Investec Limited subordinated debt instrument, explained further on the next slide.

Investec Limited, as debt issuer, has a CET 1 Ratio of 12.20% and a Total Capital Ratio of 16.00% (as at 31 Mar 2021).

Note: CET 1 Ratio takes the Common Equity Tier 1 Capital (Shareholder Equity, Retained Earnings, disclosed reserves) as a percentage of the bank's risk weighted assets. All banks above have CET 1 ratios well in excess of the required minimums. Total Capital Ratio includes all other capital, such as Tier 2 debt.

Call Date: Investment Term

Termination of the investment will be the earlier of:

- the date on which the underlying debt instrument is called (the first call date is after 5 years and 1 day and if not exercised every quarterly date thereafter) and;
- the final maturity date of the debt instrument (10 years after issue date);

The Board of the Company are targeting a termination date after 5 years since this aligns to the first call date on the sub-debt; and:

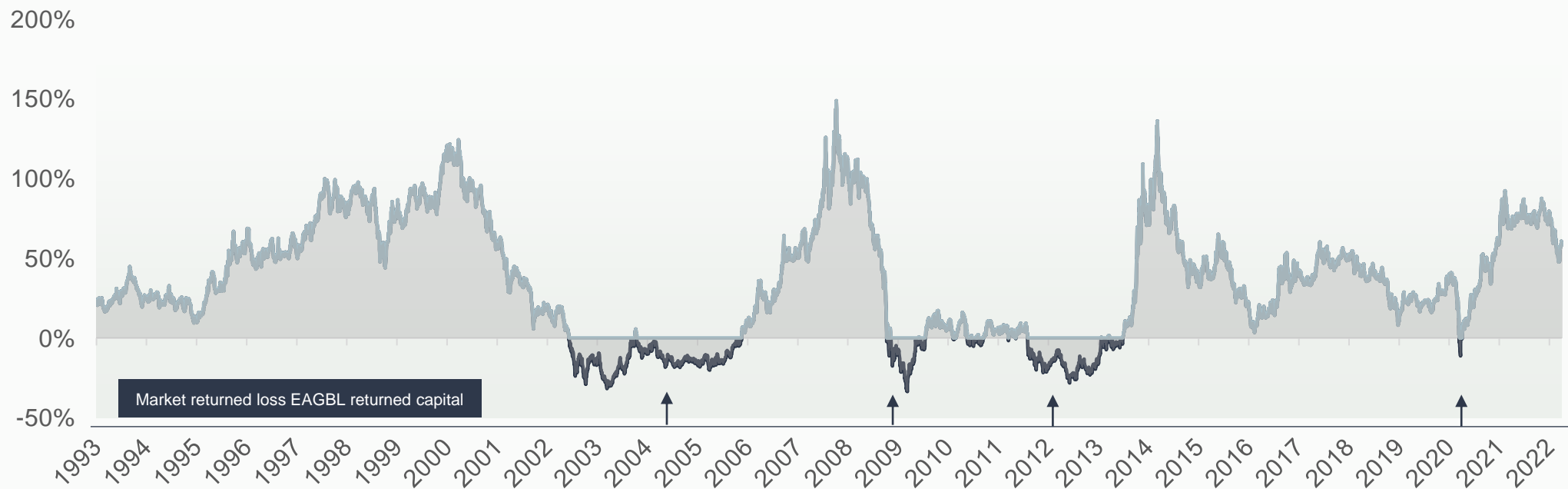
- If the debt issuer elects not to call at 5 years and 1 day, or each quarterly date thereafter, (or the South African Reserve Bank “SARB” or any other relevant regulator does not grant the required approval to call), then the capital recognition of the sub-debt will reduce by 20% per annum, making this instrument less attractive for the debt issuer as a regulatory capital instrument; a dividend equal to the proceeds

If the underlying debt instrument in which the company will invest is not called by Investec on the first call date then:

- a dividend equal to the proceeds received by the Company from the equity option (if any) will be declared by the company on the 5 year and 1 day date; and
- a dividend will be declared annually thereafter equal to SOFR 3m compounded (0.27% as of 31 March 2022) plus some 2.9% (3.2% nacq) up to the actual maturity date of the underlying sub-debt instrument.

Back Tested Payoff Simulation

5 Year Rolling Returns of Global equity markets



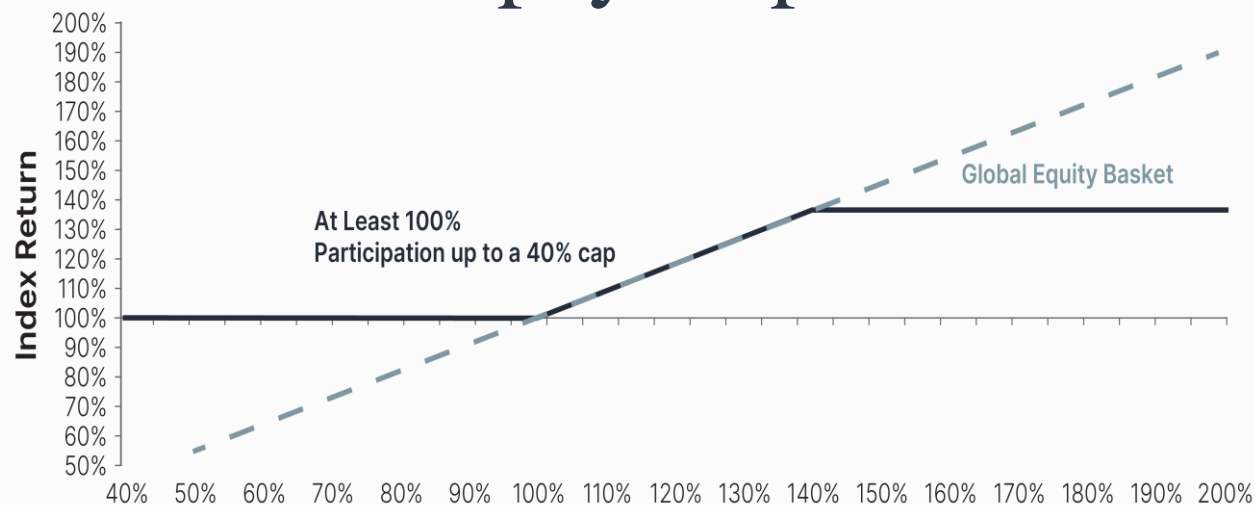
(Bloomberg Code: MXWD), sourced 1 April 2022

The graph above illustrates a simulated payoff of East Asian Growth Basket Limited from inception of the available daily data of Global equity markets – to which the basket of shares is correlated to by 97%. The first data point is the rolling 5-year return in 1990. The black line indicates periods where the return on the index was negative, however East Asian Growth Basket Limited investors would have received their capital back over those periods.

Product Return Example

Assumed Index Level (Initial)	Assumed Index Level (Close/Final)	Debt Return	Basket Return %	Option Return with at least 100% Participation up to a 40% basket growth cap	Total Share Value at Maturity
100	50	100	-50	0	100
100	130	100	30	30	130
100	150	100	50	40	140

Investment payoff profile



Global equity markets

Price Graph



The value of a 100% capital protection at expiry

The graph (left) illustrates the volatility of the equity markets. The red rectangular area on the graph to the left indicates a previous basket term (2007 to 2012).

Investors received their 100% capital back at expiry even though there was a market correction and at the end of the product term investors who owned the indices in our share was some 44% down – adding dividends back they would have been some 38% down.

*Source: Bloomberg 31 March 2022

Historic Volatility – Global equity markets



Volatility affects option pricing significantly. Higher Volatility (historical volatility for Global equity markets is shown on the graph to the left) results in a higher cost of options.

If an investor had to purchase protection on a Global equity index, it would cost investors some 18% of the investor's initial capital. Investors in East Asian Growth Basket Limited will not incur this cost.

*Source: Bloomberg 31 March 2022

Historic Returns of global asset classes (USD)

Asset Class	Nominal Growth p.a	Real Terms Growth p.a	Compounded Real Return over some 120 years
Equities	8.20%	5.30%	49,037%
Bonds	5.00%	2.10%	1,111%
Bills	3.70%	0.80%	160%

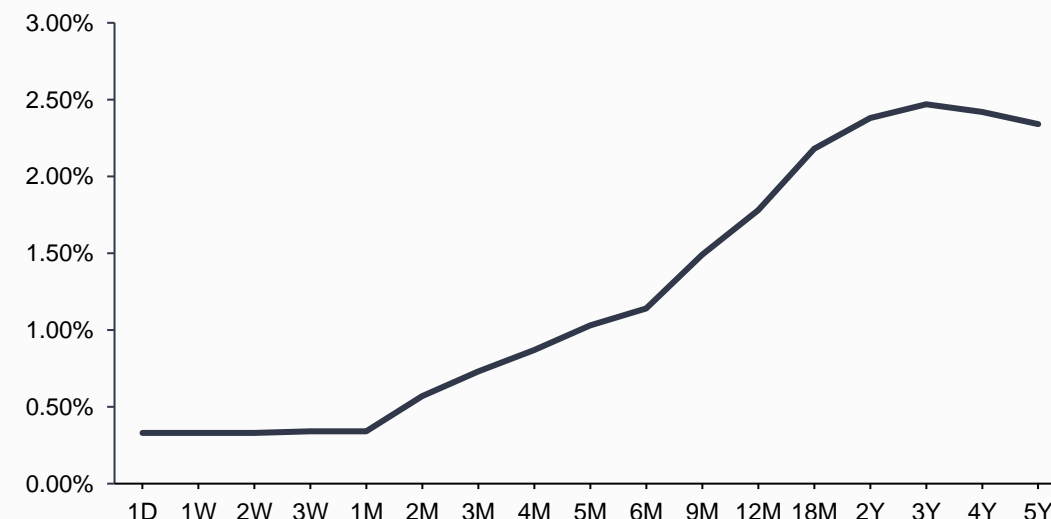
*Source: Credit Suisse global investment returns yearbook 2021

The above table illustrates that over multiple decades, the real value of equities (for a globally diversified portfolio with income reinvested), grew by a factor of some 490 (real return of some 5.3% per annum incl. dividends), compared to 2.1% for bonds and 0.8% for bills (cash).

The USD Overnight Interest Rate Swap Curve (right) shows current yields applicable to cash and bonds.

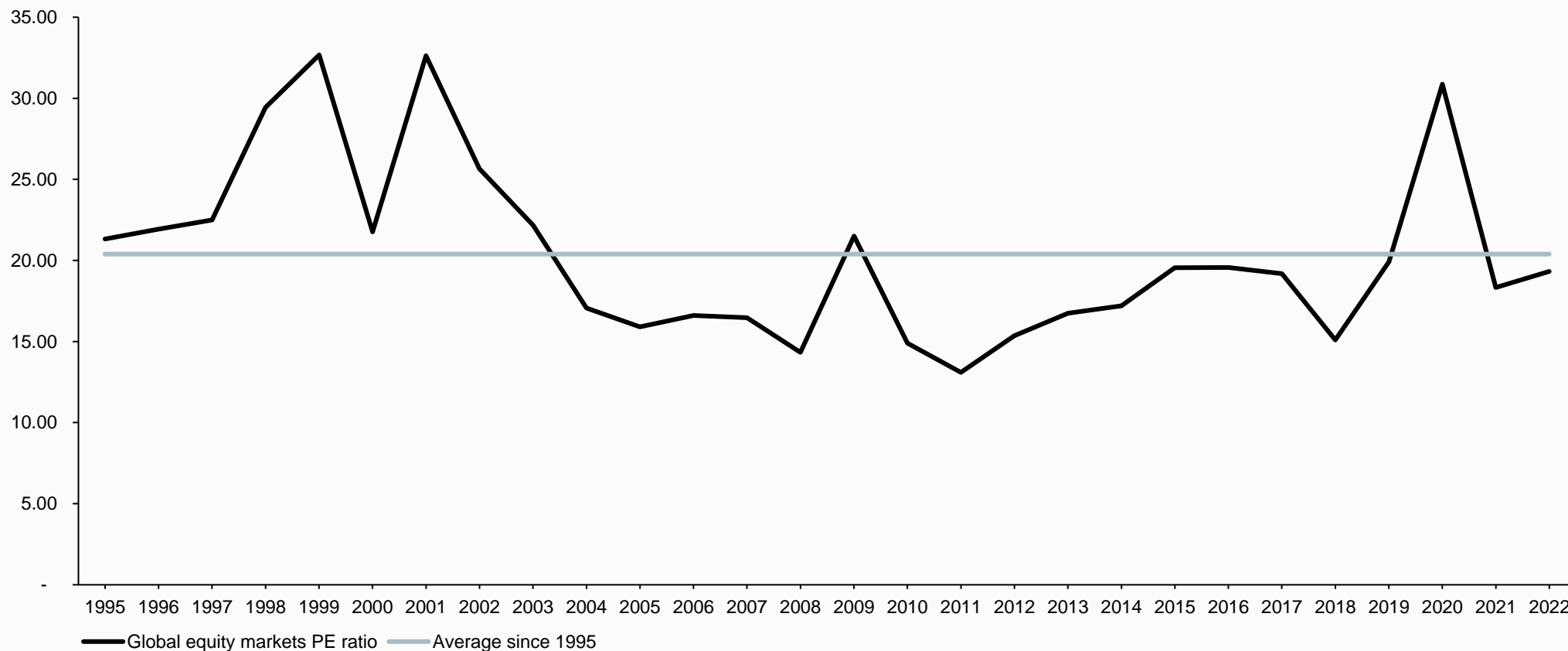
This investment offering allows the Investor to capture 100% participation to the global equity return (uncapped) without assuming equity risk premia due to the 100% principal protection, if held to maturity.

USD Overnight Interest Rate Swap Curve



*Source: Bloomberg 1 April 2022

Price/Earnings ratio over time



*Source: Bloomberg 31 March 2022

The above table indicates the Price/Earnings ratio of Global equity markets since 1995. It is evident that the PE ratio as at 31 March 2022 (19.3) was marginally below the average PE since 1995 (20.4). The consensus Bloomberg estimate is for the PE ratio to drop to 17.7 by the end of 2022.

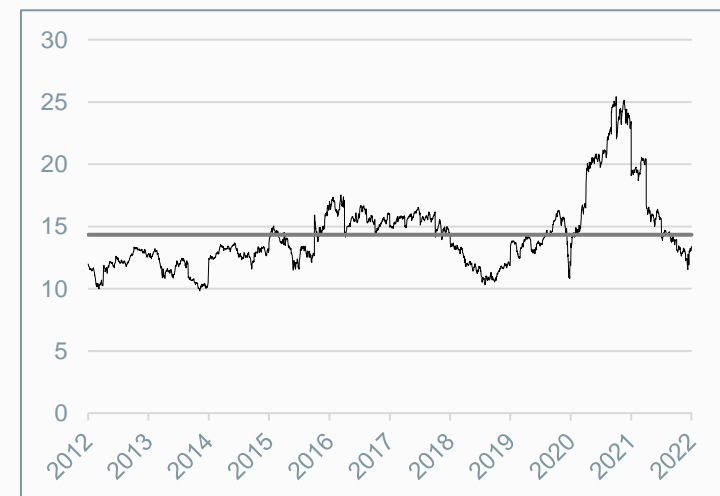
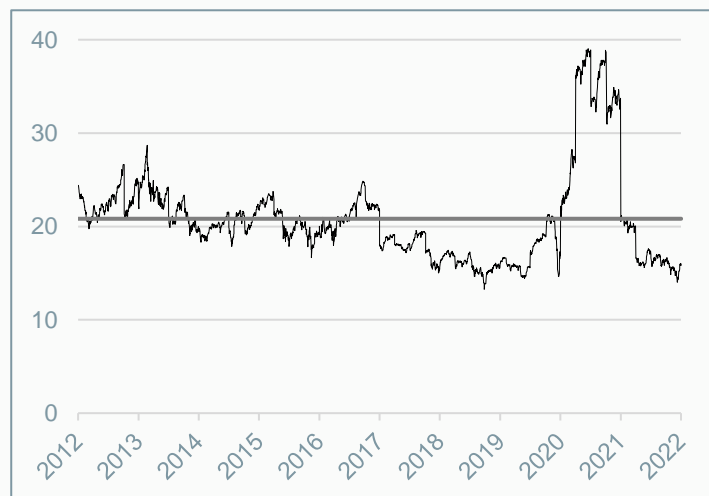
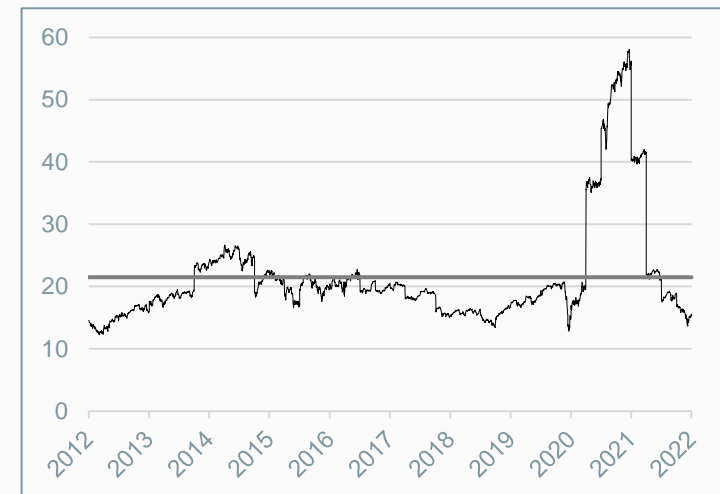
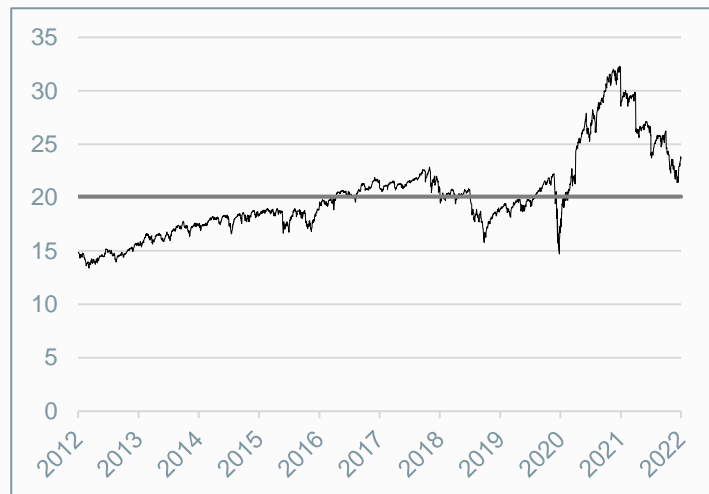
Price/Earnings ratio per underlying index (last 10 years)

The graphs illustrate the Price/Earnings ratio of each underlying index:

- S&P500 Index (top left)
- Eurostoxx 50 Index (top right)
- Nikkei 225 Index (bottom left)
- Global emerging markets (bottom right)

It is evident that while the S&P500 is trading at a relatively high P/E ratio of 22, it has come down off its peak in early 2021. This P/E ratio of 22 is still above its 10-year average of around 20.

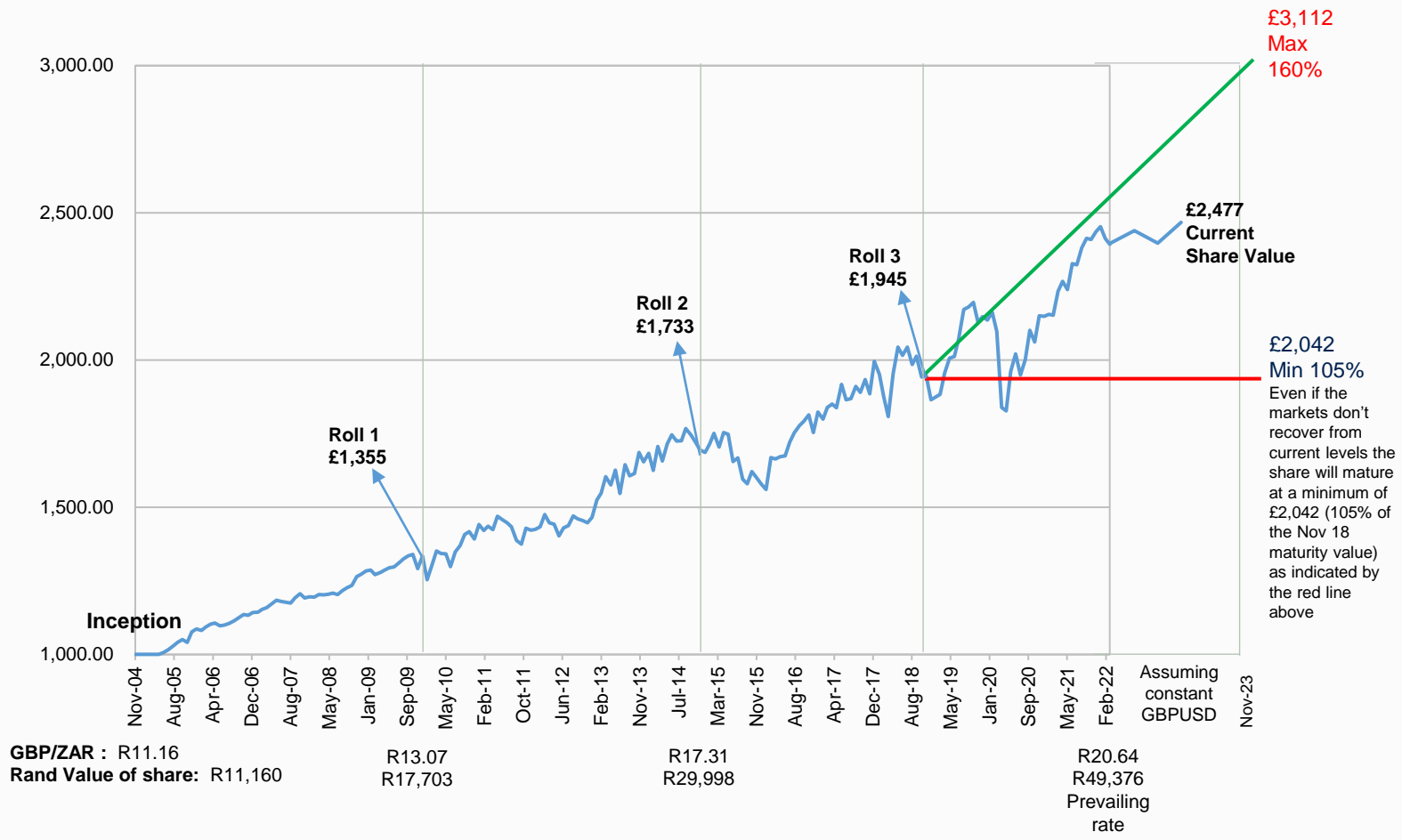
All three other indices are trading at discounts to their 10-year average P/E ratios, after the P/E ratios spiked due to covid from 2020 until the end of 2021.



*Source: Bloomberg 31 March 2022

Historical Share Performance

Optimal Investment Growth Basket Limited



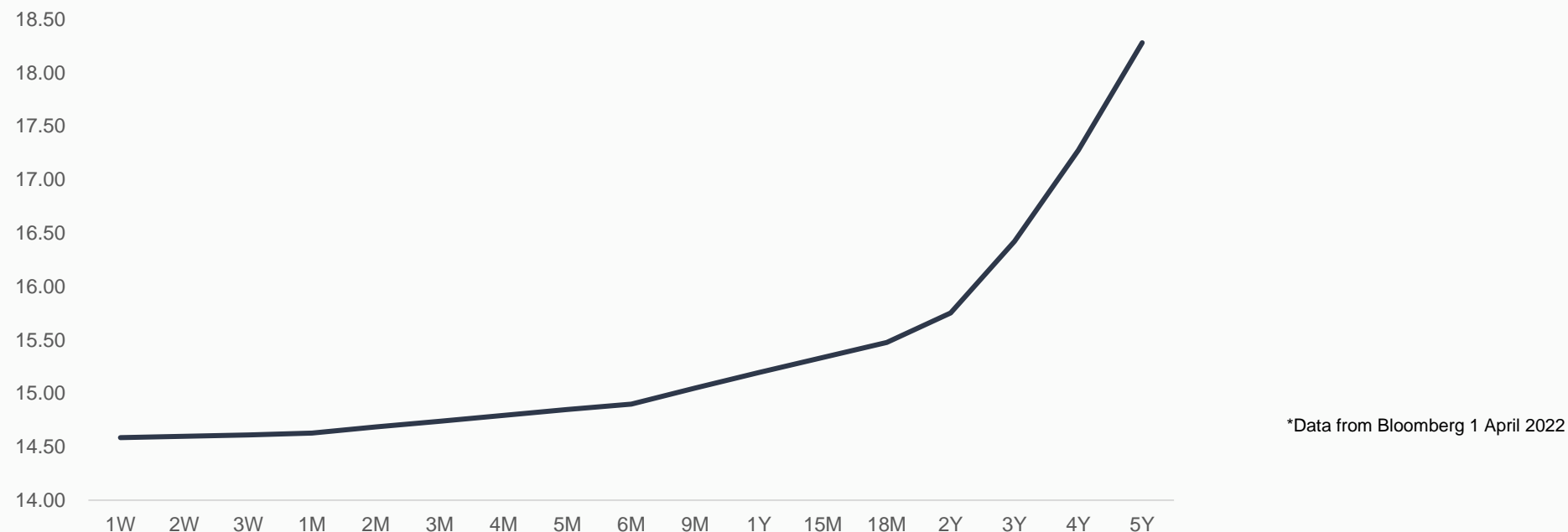
*Source: Investec Corporate and Institutional Banking, updated 31 March 2022

To demonstrate the share mechanism, we use the performance of the shares of a similar Guernsey company for illustrative purposes. The graph (left) shows the actual performance of Optimal Investment Growth Basket Limited since inception in 2004.

The graph indicates that with every maturity/roll of the share the investor managed to lock in profits and reduce risk as the expiry value at maturity becomes the new 100% protected value of the new share at maturity (if investors elect to roll the investment). Because the investor has a known expiry worst case value, he/she can avoid mid term volatility. If markets collapse the investors can avoid loss by being paid out the minimum capital protected value.

What is the USD/ZAR forward rate over the targeted term?

USD/ZAR Currency



The USD vs the ZAR forward rates over the term of the offering can be seen above.

The USD/ZAR forward Appreciation rate is approximately **25.3 %** over the projected 5-year term. This indicates that a significant depreciation of the ZAR is priced in by the market.

Front End Fee

The distributor may charge a once off upfront fee of up to 2% plus VAT on new Shares issued for either A class AUD or B class USD. This will be deducted from the gross AUD or USD investment amount paid by each subscriber to the Company such that only the net amount (“Principal Amount”) will be invested in Shares of the Company.

An initial once off expense provision of some 0.50% of the Principal Amount will be set aside to cover the Company’s costs over the investment period and the Company will not invest this amount.

Annual fees will be charged within the Company to cover the following service providers:

Distributor fee:	0.60%
Investment Advisor fee:	0.60%
Administrator:	0.13% in Year One, and 0.11% per annum thereafter

Daily Pricing & Monthly Overview (Bloomberg)

To access the daily pricing and monthly overviews please use the Administrator's website at:

<http://www.praxisifm.com/services/fund-servicesx>

AUD A Class		USD B Class	
ISIN	GG00B1VS6J08	ISIN	GG00BYX92725
Bloomberg	EAGRWBK GU	Bloomberg	EASGRWA GU

Important dates

Closing date	22 June 2022
Trade date	Within 20 business days of the Closing Date
Contract notes	Within 10 business days of the Trade Date
Fees paid	Within 10 business days of Contract Notes issued, provided all client due diligence is in order

Financial Service Provider (“FSP”) Licence Categories

FSP Category 1 (“CAT I”) and Category 2 (“CAT II”) license holders qualifying criteria to provide financial services on structured products:

- Where advice is being given, financial advisors/stockbrokers/wealth managers should ensure that they understand the underlying instruments and are able to advise clients appropriately; and
- The onus is on the financial advisor/stockbroker/wealth manager to ensure that they have the appropriate license to provide financial services on this product.
- As a result of continuous review of the various subcategories required to distribute our products we have established that in order to distribute this product, a distributor must be authorised to provide financial services in the following subcategories:

CAT I license holders

1.8
Securities and
Instruments: Shares

1.4
Long-term insurance
subcategory C (life
wrapper only)

CAT II license holders

2.5
Securities and
instruments: Shares

2.2
Long-term insurance
subcategory C (life
wrapper only)

*Wrapper - Investments made into the Company by a wrapper must be done by a validly licensed entity.

Contact Us

Please contact one of our product specialists for further information

Japie Lubbe

+27 21 416 3307

japie.lubbe@investec.co.za

John Sherry

+27 11 384 5307

john.sherry@investec.co.za

Brian McMillan

+27 11 291 3180

brian.mcmillan@investec.co.za

Sonia Lynch

+27 11 286 9450

sonia.lynch@investec.co.za

Aneeqah Samie

+27 11 263 5203

aneeqah.samie@investec.co.za

Product Supplier Details

As required by the Financial Advisory and Intermediary Services Act ('FAIS'), please find below the details of the product supplier:

Product supplier	East Asian Growth Basket Limited
Physical address	Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 4NA
Contact number	+44 1481 737 622
Postal address	Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 4NA

South African product promoter	Investec Corporate and Institutional Banking, a division of Investec Bank Limited
Physical address	100 Grayston Drive, Sandown, Sandton, 2196, Gauteng, South Africa
Postal address	P O Box 785700, Sandton, 2146, Gauteng, South Africa
Contact number	+27 11 286 7000
Contractual relationship	Investment Adviser to the Board of East Asian Growth Basket Limited
Compliance officer	Chulekazi Jikijela
Contact number	+27 11 286 9157

Thank you



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