A China Seas Basket Limited offering

Global Accelerator

BROCHURE

MARCH 2024

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Summary of Offering

The investment is in shares ("Shares") in a company called China Seas Basket Limited ("the Company"), registration number 51929. The Company is incorporated in Guernsey and listed on the Bermuda Stock Exchange. The Company offers preservation of the principal amount initially invested if held until maturity, subject to the exceptions set out below. The upcoming offering within China Seas Basket Limited will be the 4th iteration of the share.

EXPOSURE TO WORLD EQUITY MARKETS IN USD

The Shares' return is linked to a diverse basket of indices:

INDEX	GEOGRAPHY	WEIGHTING
S&P 500	USA	40%
Euro Stoxx 50	Europe	25%
Nikkei 225	Japan	15%
FTSE 100	United Kingdom	10%
iShares MSCI Emerging Markets ETF	Emerging Markets	10%

Return:

The product will return the growth of the index basket multiplied by an indicative participation of 140%[1], with index growth capped at 40%. Therefore, the maximum return is 56% in USD (140% x 40%) which is equal to an annualized return of 9.3%

Capital Preservation:

100% capital protection at maturity in USD[2]

Term:

Approximately 5 years with potential to exit the investment early in normal market conditions

Minimum Investment:

USD 10,000 or AUD 16,000

Limited Offer:

Applications close on 21 May 2024

1. The participation rate is dependent on market conditions on trade date (the current conservative estimate of the participation rate is 140%). China Seas Basket Limited reserves the right to trade a minimum participation level of 130% if required by market conditions on trade date.
2. The investor's capital, in US dollars, is protected if the investment is held to maturity. Structured products provide principal protection through the assumption of credit risk. They are intended for sophisticated investors who understand and accept the risks associated. In this case, capital protection is achieved by buying credit linked notes which will mature at 100% of investors' capital if no credit event has occurred in respect of the credit reference entities. The anticipated issuer of the notes is either Citigroup Global Markets Holdings Ltd, Goldman Sachs Finance Corp International Ltd or Merrill Lynch International (or similar). The notes will reference the subordinated, Tier 2 debt of the following three credit reference entities in equal proportions (33.3% each). Barclays PLC, Standard Chartered PLC and NatWest Group PLC. Principal protection is preserved to the extent that the debt issuer continues to honour any outstanding obligations and and the credit reference entities do not experience a credit event such as a default. The anticipated debt issuers and Reference Entities are all large, international banks with investment grade ratings.

Features of the investment

THE PRINCIPAL AMOUNT (AS DEFINED BELOW IN THE FEES SECTION) WILL BE INVESTED BY THE COMPANY IN:

USD denominated credit-linked debt instruments ("Debt Instruments"). The anticipated issuer of the notes is either Citigroup Global Markets Holdings Ltd, Goldman Sachs Finance Corp International Ltd or Merrill Lynch International (or similar). The notes will reference the subordinated, Tier 2 debt of the following three credit reference entities in equal proportions (33.3% each). Barclays PLC, Standard Chartered PLC and NatWest Group PLC. The debt issuer and Reference Entities will be international banks with investment grade ratings. Further purchases of Debt Instrument/s (if any) will be made in line with the requirements of the Prospectus. The Debt Issuer and the Reference Entities (in respect of the initial Debt Instruments and on any top-up portion) may be different to the names mentioned above but will remain one or more local and/or international banks to be selected by the Investment Adviser on or before the Trade Date, each with a long-term rating equal to or better than the rating of Investec Bank Limited.

An Equity instrument(s) issued by an international bank or entity(ies) in the group of an international bank (such bank or entity(ies) having a minimum international S&P rating of "A") to provide equity exposure.

PRINCIPAL PRESERVATION

The percentage of the Principal Amount invested in the Debt Instruments will be determined so that the amount received by the Company at the end of the investment period in USD, will be equal to at least 100% of the Principal Amount in USD, as applicable, provided that there was no default by the Debt Issuer, no Credit Event(s) (as defined below) occurred in relation to any Reference Entity (as defined above), and no Adjustments Events (as described below) or early redemption events occurred in relation to the Debt Instruments. Should a Credit Event occur in relation to a Reference Entity, then the aggregate nominal amount of the Debt Instruments will be reduced in proportion, taking into account the recovery percentage in relation to such Reference Entity.

The investor's capital is at risk if (i) the debt issuer defaults or any of these Reference Entities experience a Credit Event (as defined below); or (ii) an Adjustment Event occurred under the Debt Instruments (such as a change in law, tax, hedging costs etc) that will reduce the amount to be paid to the Company; or (iii) if there is an early redemption event under the Debt Instruments. The anticipated debt issuers and Reference Entities are all large, international banks with investment grade ratings.

"Credit Event" means any one or more of Bankruptcy, Failure to Pay, Restructuring, Obligation Acceleration, Repudiation/Moratorium and Government Intervention, terms as defined in the 2014 Credit Derivative Definitions of the International Swaps and Derivatives Association.

EQUITY EXPOSURE

A targeted basket of offshore indices, namely the S&P500 (40% weighting), Eurostoxx50 (25% weighting), Nikkei 225 (15% weighting), FTSE 100 (10% weighting) and iShares MSCI Emerging Markets ETF (10% weighting).

The Index Basket value at maturity will be calculated as the aggregate of the simple average of the closing values of the basket on the same date in each month in the averaging period. The maximum averaging period will be 12 months; however, a 3-month period is targeted.

Payoff Return Examples

Assuming the basket starts at USD100 equivalent, below are examples of the expected returns based off a participation of 140% and an index growth cap of 40%.

	Assumed Basket Level (Initial)	Assumed Basket Level (Final)	Index Basket Return %	Option Return at 140% Participation (Max return of 56%)	Debt Return	Total Share Value at Maturity
Index basket decreases	100	50	-50%	0	100	100
Index basket increases by less than 40%	100	120	20%	28	100	128
Index basket increased by more than 40%	100	150	50%	56	100	156

Investment Objective

The investment objective as described in the Prospectus of the Company is twofold:

1. to preserve the investor's capital in USD; and

2. to give meaningful participation in the growth in international equity markets.

Interest rates and credit spreads have shown significant volatility in recent times as global inflation and the prospect of recession in many countries has influenced markets. As of March 2024, interest rates are at elevated levels, which in turn improves the potential equity participation of the Company over the next product iteration. The Investment Advisor (Investec Bank Limited) will therefore seek to purchase some instruments (being some of the Debt Instruments as well as interest rate hedges) ahead of the product trade date in order to secure these attractive levels. Please note that it is not possible to purchase all of the Debt Instruments ahead of trade date given the uncertain size of the trade. The debt instruments will be sold on to the Company on trade date at the same levels at which they were acquired. This will ensure that the Company can still meet its investment objectives even if the market yield on the debt instruments is lower than current levels on trade date. In addition, the upfront cost and any benefit obtained from the Investment Advisor's interest rate hedge will be passed through to the Company by means of any adjustment to the purchase price of the debt instruments. This will ensure that the Company still benefits from any further material increases in interest rates (more than a 1% increase in the USD 5yr swap rate). Investors should therefore be aware that movement in interest rates between the date of acquisition of the Debt Instruments and the trade date will have the following effect on the payoff and day 1 valuation in various scenarios.

				March 2024			
Base Rate on Trade Date	2.50%	3%	3.50%	4.00%	4.50%	5%	5.50%
Day 1 valuation gain or loss*	4.2%	2.7%	1.3%	0.0%	-1.3%	-2.6%	-2.6%
Indicative change in participation	-10%	-7%	-3%	0.0%	3%	6%	23%

* The above indicative table assumes a debt instrument with a nominal of $100m is purchased ahead of trade date and the total company size is $130m on trade date. Any valuation gain or loss on day one will only be realized to the extent that the Investor sells his/her Shares prior to the end of the investment term.

Risk Factors

Investors should refer to the “Risk Factors” in the Company Prospectus, which is available upon request from the Investment Adviser to the Company or from the Administrator;

- Significant price movements prior to the launch, making the targeted return unachievable and therefore returning cash to Investors without interest
- Tax and regulatory changes
- Exchange rate risk
- Credit risk on counterparties of the Company, in particular the providers of the principal protection, the reference entities and equity option providers
- Lack of liquidity in the Shares
- Adverse market movements on interim share valuations

Risks associated with credit-linked debt

- Structured products provide principal protection through the assumption of credit risk. They are intended for sophisticated investors who understand this risk and are willing to take it. There is credit risk on the Debt Issuer, each Reference Entity (the credit risk relates to the subordinated debt issued by such Reference Entities) and the equity investment provider(s). A default by any such party(ies) may cause the value of such investment of the Company to be reduced or to become zero, which may adversely affect the Share price or cause the Shares to become worthless.
- Shareholders should be aware that any such breach or default by any party in relation to an investment made by the Company, or any adjustment made by the debt issuer of an investment made by the Company may adversely affect the ability of the Company to meet its investment objectives.
- If any of the Company’s investments are terminated early for any reason the directors will take such steps as they, in their sole discretion, consider practicable in order to enable the Company to achieve its investment objectives. There can be no assurance that this will be possible.
- Should a Potential Failure to Pay have occurred, then the Termination Date shall be postponed to determine whether the Potential Failure to Pay will be cured or whether a Credit Event has occurred.

LIQUIDITY THROUGH A SECONDARY MARKET OR EARLY REDEMPTION

Investors will not have the right to redeem their Shares prior to the maturity date. However, should Investors wish to sell their Shares during the investment period:

1. The Administrator will facilitate a book-over of their Shares where it identifies a willing buyer, for a fee of GBP 150 per transaction (deducted from the proceeds due to the seller). In order to assist this process an independent trust (‘the Trust”) (declared on 2 September 2009 in Guernsey known as The Basket Trust) has declared its willingness to purchase Shares (although the Trust is not obliged to do so); and

2. If no buyer is identified, the Company, upon Directors’ approval, can arrange a potential early redemption of the Shares at a price either in AUD for A Class Shares, or USD for B Class Shares, at which the Company can liquidate underlying assets. In the event of either of the above occurring, there is an early exit fee of up to 1.25% plus any additional administration and applicable banking fees. Please refer to the Company prospectus for further details on the fees. In the event of death of an investor, Guernsey probate may need to be sought.

Fees

An initial once off expense provision of 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 to be paid by the Company to service providers are in USD and will be as follows:

Distributors: 0.60% per annum

Investment Adviser: 0.60% per annum

Administrator: 0.13% first year fee, then reduced to 0.11% per annum

The distributors may charge a once off upfront fee of up to 2% plus VAT on new Shares issued for either A Class AUD denominated Shares or B Class USD denominated Shares. 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 ("the Principal Amount") will be invested in Shares of the Company.

Other than the upfront fees, the expenses and fees described above should not affect the potential investment return of the Shares. On the maturity of the investment, the Investor will receive the full-realised fair market value of the Shares in the currency that it subscribed for, based on the value certified by the Company's auditors. Please refer to the Company prospectus for further details on the fees.

Tax

1. The Company has a Guernsey tax exemption certificate.
2. The Company has the ability to pay dividends during the term.
3. Depending on Investors' circumstances and their intentions when buying or selling the Shares, Investors who hold the Shares to maturity and then sell them to the Trust prior to redemption may be taxed subject to the tax laws and revenue practice prevailing at the time.
4. Taxation of individual shareholders will depend on personal circumstances and they should seek independent tax advice. A change in tax regulations may affect the taxation of Investors.

Economies of scale

The public offering results in minimizing overall costs and the provision of efficient asset pricing.

Rand Hedge

The Shares may provide a Rand hedge if the Rand depreciates against the USD as the underlying debt instruments and equity linked options are in US dollars. If the Rand appreciates against the USD, then the Investors bear such currency risk.

How to invest

Minimum investment of USD 10,000 for B Class USD denominated Shares, or AUD 16,000 for A Class AUD denominated Shares.

Investors can follow the underlying four investment avenues:

- Offshore allowances (or any SARB approved offshore allowance)
- Disclosed amnesty assets and disclosed foreign assets
- International assets held by South African Investors
- Foreign Portfolio Investment Allowance (asset swap)

Financial Advisor FSP License Requirements

FSP Category 1 ("CAT I") and Category 2 ("CAT II") license holders qualifying criteria to provide financial services in respect of shares:

- 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 in respect of these Shares
- In order to distribute the Shares, a distributor must be authorised to provide financial services in the following subcategories

FSP CATEGORY
FINANCIAL PRODUCTS

CAT I license holders

1.8 Shares

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

CAT II license holders

2.5 Shares

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

Important dates

CLOSING DATE:	TRADE DATE:	CONTRACT NOTES	FEES PAID
21 May 2024	Within 25 business days of the Closing Date	To be issued on or before 26 June 2024 provided all client due diligence is in order	Within 30 business days of Trade Date, provided all client due diligence is in order

Daily pricing and monthly overviews

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

https://www.apexgroup.com/investec-basket-information/

AUD A CLASS	USD B CLASS
ISIN: GG00B3W46R94	ISIN: GG00BM7T0367
Bloomberg: CHSEBAS GU	Bloomberg: CHSBLBU GU

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Supplier Details

www.investec.com/invest

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

Product supplier	China Seas Basket Limited
Physical address	1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL
Contact number	+44 1481 737 622
Postal address	1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL
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 China Seas Basket Limited
Compliance officer	Chulekazi Jikijela
Contact number	+27 11 286 7323

RECENT ACCOLADES OF THE INVESTMENT ADVISER TO THE COMPANY

- Africa Structured Products & Derivatives Awards
- Best Performance (South Africa): 2016, 2017, 2019 and 2022
- Best Distributor South Africa: 2016, 2017, 2019, 2020 & 2022
- Best Distributor Offshore: 2019
- Best House Africa: 2017
- Deal of the Year 2017 & 2019

* 2018 awards took place in 2019

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