

## 1. WHAT IS A FOREIGN CURRENCY ACCOUNT?

A foreign currency account is a savings accounts held with your local bank in foreign currency. Although the funds are held on Investec Bank Ltd.'s local balance sheet, the savings are held in hard currency and are externalized from an exchange control perspective.

## 2. WHAT IS THE CCM FOREIGN CURRENCY OFFERING?

Investec now offers a capital secure call deposit and a 32-day notice deposit account denominated in US dollars. These accounts offer competitive returns relative to US dollar cash and cash equivalent alternatives. The accounts can be opened, managed and administered seamlessly and efficiently via Investec CCM online.

## 3. WHAT IS THE USD CALL DEPOSIT?

The Investec CCM USD Call Deposit is a US dollar denominated savings account with a market-related interest rate determined by Investec, and provides immediate access to funds. This product can now be opened and accessed as a standalone account.

### KEY FEATURES

- USD denominated savings account
- Immediate access to funds
- Deposits > USD10 000 earn a competitive interest rate
- Protection from negative US interest rate cycles, interest rate limited to 0% on the downside
- Capital secure, on balance sheet deposit product guaranteed by Investec Bank Limited
- Foreign currency account is available to individuals only

## 4. WHAT IS THE USD 32 DAY NOTICE DEPOSIT?

The Investec CCM USD 32 Notice Deposit is a US dollar denominated savings account with a market-related interest rate determined by Investec and an enhanced return commensurate with the term structure of the notice period. Clients are required to open an Investec CCM USD Call Deposit account which serves as a settlement account prior to opening the USD 32 Day Notice Deposit account.

### KEY FEATURES

- USD denominated 32-day savings account
- Access to a linked USD interest bearing call account, offering liquidity
- Earn a competitive interest rate from first US dollar invested
- Benefit from enhanced interest rate return aligned with term deposit structure
- Protection from negative US interest rate cycles, interest rate limited to 0% on the downside
- Capital secure, on balance sheet deposit product guaranteed by Investec Bank Limited
- Foreign currency account is available to individuals only



## 5. SUMMARY OF PRODUCTS

	FCA PRODUCTS	
PRODUCT NAME	NEW   Call Deposit	32 Day Notice Deposit
LIQUIDITY	Instant access	32 Day Notice
CAPITAL SECURITY	100% capital protection	100% capital protection
MINIMUM INVESTMENT & INTEREST ACCRUAL	Min investment of USD10 000 to accrue interest	Interest accrues from first USD invested
INTEREST RATE	Balance > USD10 000 Market-related interest rate	Balance > USD0: Market-related interest rate
ADVISOR FEES	Advisor can earn fees to a maximum of 35bps (Fees are limited to the interest accrued and may not result in the erosion of capital)	
INVESTOR TYPE	Individuals only	Individuals only
<b>OPERATIONAL AND SECURITY ENHANCEMENTS</b>		
AUTHORISATIONS	Dual BOP authorisations enabled therefore enforcing segregation of duties	
AUDIT TRAIL	BOP audit trail enabled	
PRE-POPULATION OF DETAILS	Pre-population of third-party details and prepopulate third party type to entity	
SAVE BOP FUNCTIONALITY	Ability to save a partially completed BOP forms enabled	

### 6. IS MY CLIENT'S CAPITAL AT RISK?

The CCM FCA deposits are 100% capital guaranteed. The accounts are savings deposit products as defined in the Banks Act and are held on Investec Bank Ltd.'s balance sheet. The CCM FCA deposits rank parri passu with all other depositors of the bank and therefore carry the same risk profile as Investec ZAR deposits.

### 7. HOW IS THE INTEREST RATE DETERMINED?

Both the call and notice FCA accounts are interest bearing accounts. The interest rate applicable to each product is market related and determined by Investec.

### 8. HOW IS THE CCM FCA PRODUCT SUITE EXPECTED TO PERFORM RELATIVE TO USD CASH AND CASH EQUIVALENT ALTERNATIVES?

The Investec CCM FCA has been positioned to offer a competitive return relative to cash and cash equivalent investment alternatives including US dollar denominated money market funds.

### 9. CAN A CLIENT EARN NEGATIVE INTEREST?

No. The CCM FCA product suite is designed with capital security as a key feature and therefore should USD interest rates fall below 0% the interest rate on these products will be limited to zero.

### 10. CAN ADVISORS EARN FEES?

- Intermediaries can earn a fee up to a maximum of 0.35% (including VAT)
- The administration fee must be in accordance with a signed client mandate
- The fee will be limited to the interest accrued on the CCM FCA account such that the client does not suffer capital erosion due to fees. For clarity, if the intermediary fee is set at 0.20% and the product interest rate is 0.15% the admin fee will be limited to 0.15% which is the lesser of the admin fee and the interest accrued
- Admin fees will be disclosed on client statements as required by regulations
- Admin fees will be calculated in US dollars and converted to rands using the month end rand dollar exchange rate and will be paid in rands to the intermediaries CCM rand income account on a monthly basis

Please note that at inception (1 October 2021) all fees will default to zero and intermediaries will be required to capture the appropriate admin fee in line with the client's mandate in the system.

### 11. WHAT ARE THE FSCA LICENSE CATEGORIES REQUIRED TO SELL THESE PRODUCTS?

There are no additional licensing requirements. The 1.17 and 1.18 short- and long-term deposit licences are sufficient. Investec requires all intermediaries to ensure that they have the appropriate licences to distribute and or advise on its products.