$ Offshore Protected Share

Brochure

29 September 2017

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Introducing the Offshore Protected Share

Preservation of your capital. A minimum return in bad times. Double the market returns in good times. All in US dollars.

Summary of offering

A **targeted 5 year equity investment** linked to a basket of offshore indices ("Index").
However, if the debt instrument that the Company will invest in is not redeemed at the 5 year date by the issuer (please refer to the section "Call date and call option information" in this brochure), then the investment could be for up to 10-years. The return will be paid to the investor in USD.

Preservation of Principal Amount + 4% minimum return in USD, if held to maturity

2 times the growth in the basket's performance from 4% and up to 27% from the initial basket's level.
If the Index growth is 27% in USD, then the maximum return from the investment in the Shares is 50%. i.e. 2*(27%-4%) + 4% = 50%, which equates to an **annualised return of 8,45% per annum in USD** on the Principal Amount (being the capital amount invested less the front fee)

Minimum investment of:
AUD16 000 – A class shares or USD12 000 – B class shares

Payments must come from and go to the account of the Investor/s. No third party payments will be accepted and no payments to third parties will be made.

Liquidity on a willing buyer, willing seller basis. Potential early redemption of the Shares at a price at which the Company can liquidate underlying assets. The preservation of the Principal Amount will not be applicable on early redemption of the Shares and Investors may receive an amount that is less than the Principal Amount invested by them.
Early exit fees will apply, please refer to Liquidity through a secondary market or early redemption, in this brochure.

The Index value at maturity will be calculated as the simple average of the closing values of the Index 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.

Features of the investment

The investment is an investment in Shares of a company incorporated in Guernsey and listed on the Bermuda Stock Exchange.[1]

The Principal Amount will be invested in:

- Investec Limited ("Investec") subordinated debt instruments or in subordinated debt instruments of a debt issuer that has a rating equal to or better than Investec.
- Equity option(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 A rating) 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 104% of the Principal Amount in USD.

Assuming the basket starts at USD100 equivalent, below is an example of expected returns*[1]

Debt Return in USD	Assumed Index Return in USD	Equity Option Pay-out in USD	Share Return in USD
104	-20	0	104
104	15	22	126
104	35	46	150

- *[1] For illustration purposes only.
- The above assumes that the upfront fee (if any) is already taken off the investment and the net amount (the Principal Amount) is invested which is assumed to be 100.

Equity exposure

This investment provides Investors with exposure to the performance in a basket of targeted indices, namely - 15% Nikkei225; 40% S&P500®; 30% Euro Stoxx 50® and 15% iShares MSCI Emerging Markets ETF.

[1] The company is Asia Pacific Basket Limited, Registration number 48918.

Economies of scale

The public offering results in minimising overall costs and providing for efficient asset pricing.

Call date and call option information

The board of the Company is targeting a termination date after 5 years to align to the first call date on the subordinated debt instrument. The capital recognition of the subordinated debt instrument will reduce by 20% per annum after the first call date, making this instrument less attractive for the debt issuer as a regulatory capital instrument.

However, if the debt issuer elects not to call at the 5 year date or on 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 investment term may be for up to 10 years after the subscription date of the Shares;
- 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 date; and
- a dividend will be declared annually thereafter equal to 3 month USD LIBOR plus approximately 3.5%, up to the actual maturity date of the subordinated debt instrument.

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 dollar. If the Rand appreciates against the USD, then the Investors bear such currency risk on maturity of the investment.

Regular valuation

Indication of fair value for the Shares will be made available on the Administrator's website. Monthly overviews will also be provided on the website to show the performance of the offering for each month from inception.

http://www.praxisifm.com/services/fund-services/investec-basket-information

Risk factors

Risk factors are below and 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 and equity options;
- Lack of liquidity in the Shares; and
- Adverse market movements on interim share valuations.

Risks associated with subordinated debt instruments:

- The Company’s claims for payment against the debt issuer will be sub-ordinated to the claims of more senior creditors of the debt issuer, which means that the senior creditors will paid first and the Company will only be paid by the debt issuer from what is available (if any) after such payments were made in full;
- On default by the debt issuer, the Company may only institute proceedings for the winding-up of the debt issuer (and/or prove a claim in any winding-up of the debt issuer) but take no other action in respect of that default;
- The debt instruments contain a provision to the effect that, at the option of the SARB/relevant regulator, such instruments must be written off, in part or in total, upon the occurrence of a trigger event determined by the relevant authority (the trigger event is the point at which the SARB/relevant regulator determine that the bank will become non-viable without intervention);
- The maturity date of the debt instruments is 10 years after the issue date of the debt instruments. If the debt issuer does not exercise the call option in accordance with its terms, or if the SARB/relevant regulator does not grant permission to call, then the investment in the Shares will be for a maximum of 10 years.

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. 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 at which the Company can liquidate underlying assets.

In the event of either of the above occurring, there is an early exit fee of 1.25% less any administration and applicable banking fees.

In the event of death, Guernsey probate may need to be sought and the Administrator and the Investment Advisor to the Company may assist.

Fees

The distributor may charge a once off upfront fee of up to 2% plus VAT on new Shares issued. This will be deducted from the gross investment amount paid by each subscriber to the Company such that only the 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 to be paid by the Company to service providers are in USD and will be as follows:

Distributors (up to the first call date, thereafter the fee is reduced to 0.15%)	0.65% per annum
Investment Advisor (up to the first call date, thereafter the fee is reduced to 0.15%)	0.65% per annum
Administrator	0.15% upfront 0.135% per annum

Other than the upfront fee, the expenses and fees described above should not affect the potential investment return of the Shares. On the maturity date, the Investor will receive the full-realised fair market value of the Shares in the currency that it subscribed for. Share proceeds will not be subject to any settlement or de-registration fees on redemption at the maturity date.

Tax

The Company has a Guernsey tax exemption certificate.

The Company has the ability to pay dividends during the term.

Depending on Investors' circumstances and their intentions when buying 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.

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.

How to subscribe

Minimum investment of **USD12 000** or **AUD16 000** (depending on the share class chosen).

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 non-South African Investors
- Foreign Portfolio Investment Allowance (asset swap)

Important dates

Closing date	4 December 2017
Trade date	Within 20 business days of the Closing Date
Contract notes issued	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

Daily pricing and monthly overviews

To access the daily pricing and monthly overviews, the Fact Sheet, Presentation, Prospectus, Application Form and Application Procedures, Investors can log into the Administrator's website at: http://www.praxisifm.com/services/fund-services.

AUD A Class		**USD B Class**	
ISIN	GG00B3B1B651	ISIN	GG00BYZ0RF63
Bloomberg	ASIPACB GU	Bloomberg	ASPBLBU GU

How can you contact us?

Please contact one of our product specialists for further information

Japie Lubbe	+27 21 416 3307	japie.lubbe@investec.co.za
Carlo Accolla	+27 21 416 3318	carlo.accolla@investec.co.za
Lynn Bell	+27 21 416 3328	lynn.bell@investec.co.za
Brian McMillan	+27 11 291 3180	brian.mcmillan@investec.co.za
Kate Langlois	+27 11 286 9450	kate.langlois@investec.co.za

Website

www.investec.com/invest

Recent accolades

- **Best Distributor**, Capital Protected Products in Africa 2016
- **Best Performance** in South Africa 2016
- **Best Performance** in Africa 2016
- **Best Distributor** in South Africa 2016
- **Best Distributor** in Africa 2016

- **Best Distributor**, Africa 2016

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

Product supplier	Investec Corporate and Institutional Banking
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	None
Compliance officer	Pieter Erasmus
Address	100 Grayston Drive, Sandown, Sandton, 2196, Gauteng, South Africa
Contact number	+27 11 286 7323

Disclaimer

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