



Nedbank Artificial Intelligence Equity-linked Note

(Quanto ZAR)

Get the capital appreciation from top global shares and benefit from conditional capital protection in rands.

Application close date:	7 June 2024
Investment start date:	14 June 2024
Listing date:	24 June 2024



Overview

Nedbank brings you a cutting-edge investment opportunity that taps into the power of artificial intelligence (AI). With the Nedbank Artificial Intelligence Equity-linked Note (Nedbank AI note) you can invest in 10 global technology companies involved in the AI revolution.

These companies are part of the Solactive Artificial Intelligence Selection PR Index (SOAISPR Index), which tracks the performance of companies involved in the field of AI.

By investing in the Nedbank AI note, you can gain exposure to a clearly defined and transparent index designed for investors looking to participate in segments that offer the following:

- Access to new markets
- Increased digitisation
- Reduced carbon footprint

This investment is best suited for investors looking to:

- gain exposure to a global sectoral equity index;
- invest in a global equity index without exposure to foreign exchange risk;
- benefit from increased exposure to the growth of the index over the investment term due to upside gearing; and
- benefit from capital protection of the Rand value of their initial investment contingent on the underlying index remaining above 50% of the initial level after the full 3.5 year investment term.

Investment summary

Term*	3,5 years
Index	SOAISPR Index
Capital protection	Subject to the final index level (If) being greater than 50% of the initial index level (Ii).
Indicative upside gearing**	1,70 times
Fees	
Product fee to advisor	0,8625% per annum
Equity index cap	30%
Indicative maximum equity return	51% (after fees)

* After the 3,5 years investment term investors will be able to redeem the note if a redemption election is made. If no election is made and if practically possible, including factors like performance and market conditions, investors will remain invested in the note at which point the Applicable Pricing Supplement will be amended to reflect the new economics.

** The gearing is indicative. It will be determined on the trade date based on prevailing market conditions. The indicative maximum return will be calculated using the gearing provided on the trade date



How to invest

The **Nedbank AI note** will be listed under the Nedbank Structured Notes Programme. All you need to invest is a stockbroking account. Please contact your Nedbank Private Wealth adviser or go to <https://onlinesharetrading.nedbank.co.za>.

Pricing and liquidity

- Nedbank will provide a daily valuation to the JSE.
- In normal market conditions the early termination value is determined in relation to the mark-to-market value of the **Nedbank AI note** at the time. The value will fluctuate and may be below the initial investment amount if it sold before maturity.

Risk profile

The risk of the **Nedbank AI note** is significantly lower than a direct equity investment as the original investment amount is partially protected against any downside exposure on the equity by Nedbank.

However, this investment has a higher risk profile than a fixed-deposit investment with Nedbank as the returns are less certain than those associated with a fixed deposit.

Investors may receive less than their initial investment amount if:

- they don't remain invested for the full investment term*; or
- the index return declines by more than 50% at maturity.

* The amount that investors receive if they do not remain invested for the full term will be the sum of the unwind values received for the underlying hedge components used to construct the pay-off of the note.

The equity risk is managed by a reputable international bank, giving the investor exposure to this counterparty as well.

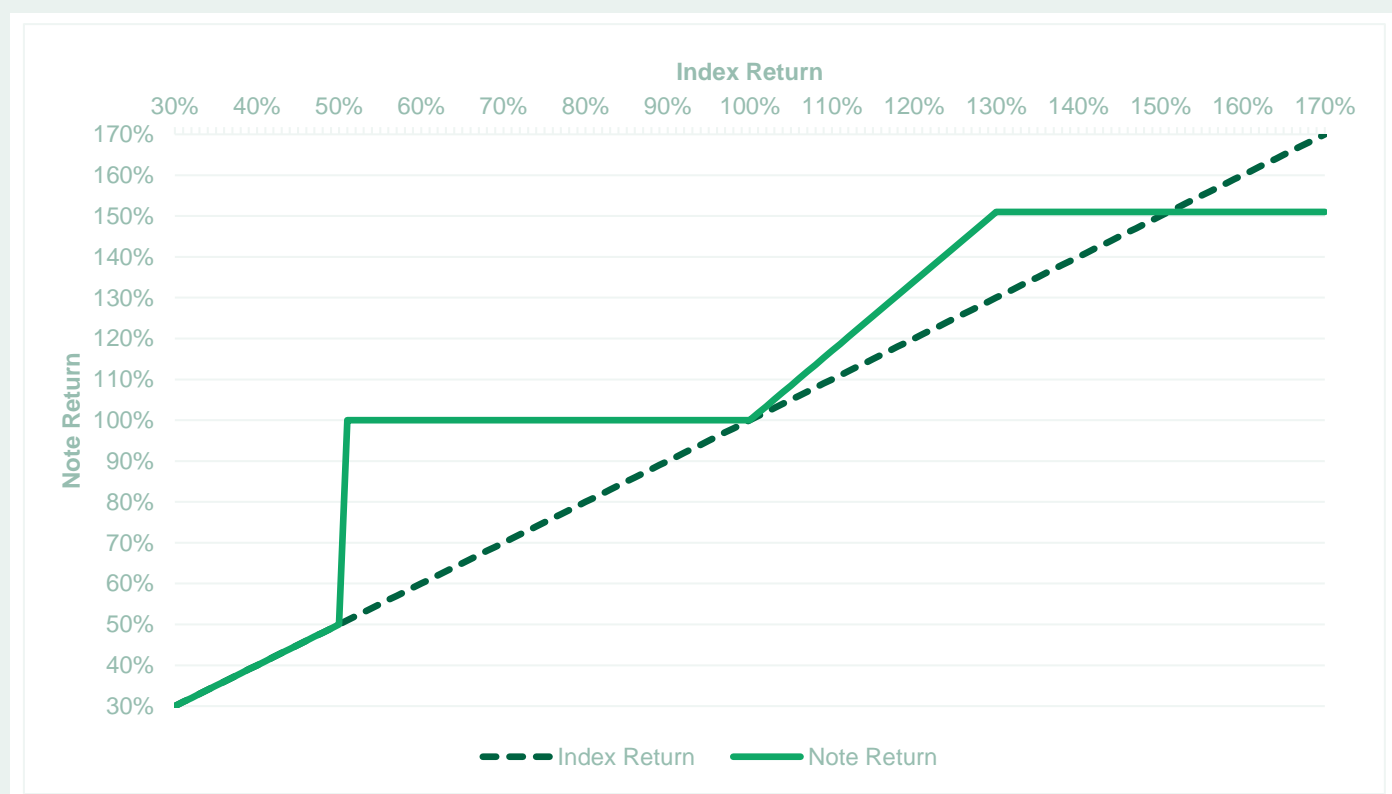


Return profile

While the index is denominated in euro (EUR), the **Nedbank AI note** enables investors to nullify exposure to the currency of the underlying foreign equity reference by fixing the initial and final rates of exchange. This allows the local investor to derive the pure nominal performance of the foreign equity index.

The geared upside feature of the note means that the investment pays a leveraged return in comparison to the gains of the index up to a defined maximum return in ZAR.

The capital protection is conditional on the underlying index remaining above 50% of the initial reference strike level at maturity. Provided that the final index level remains above the 50% threshold, the investment is fully protected against the fall in the Index. However, if there is a decline of more than 50% in the index at maturity, the invested capital does not benefit from the conditional capital protection at all.



The table below highlights various investment returns resulting from various index return scenarios.

Market performance	Return on investment	Pay-off profile example			
50%	51%	An investment of R100 000 into the Nedbank AI note would return the below returns if it is held until maturity:			
40%	51%				
30%	51%				
20%	34%				
10%	17%				
0%	0%	Final index level	Market performance	Return on investment (%)	Return (R)*
-10%	0%	5 136,96	+50%	51%	R151 000
-20%	0%	4 280,80	+25%	42,50%	R142 500
-30%	0%	3 424,64	0%	0%	R100 000
-40%	0%	2 568,48	-25%	0%	R100 000
-51%	-51%	1 678,07	-51%	-51%	R49 000

* Return includes delivery of capital invested amount.

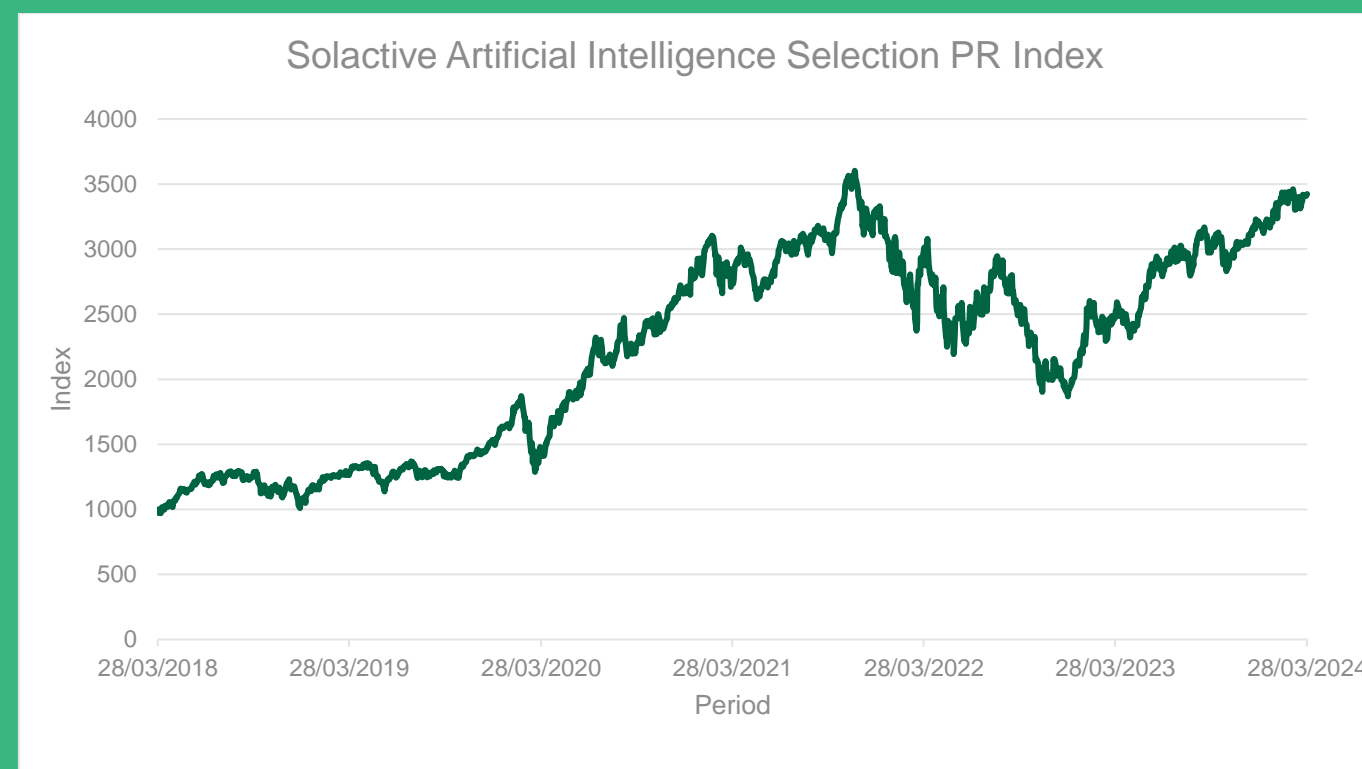
Indicative initial index level on the SOAISPR Index of 3 424,64 at 28 March 2024.

What is the Solactive Artificial Intelligence Selection PR Index?

The Solactive Artificial Intelligence Selection PR Index tracks the price performance of 10 global technology companies in the AI sector across the US, China, Sweden and Australia.

Company	Weight in Index (%)*
Alibaba Group Holding Ltd	10
Alphabet Inc	10
Amazon.com Inc	10
Atlassian Corp	10
Autodesk Inc	10
Baidu Inc	10
Meta Platforms Inc	10
Microsoft Corp	10
Spotify Technology SA	10
Tesla Inc	10

* Rebalanced daily



Source: Bloomberg – at 28 March 2024

Index Returns	1 year	3 years	5 years
SOAISPR Index	+32,07%	+21,72%	+165,85%

At 28 March 2024.



Summary of investment return scenarios



If the SOAISPR Index performance is positive at the end of the investment term, that positive return will be multiplied by the gearing factor and applied to the initial investment amount to determine the final value of the Nedbank AI note.

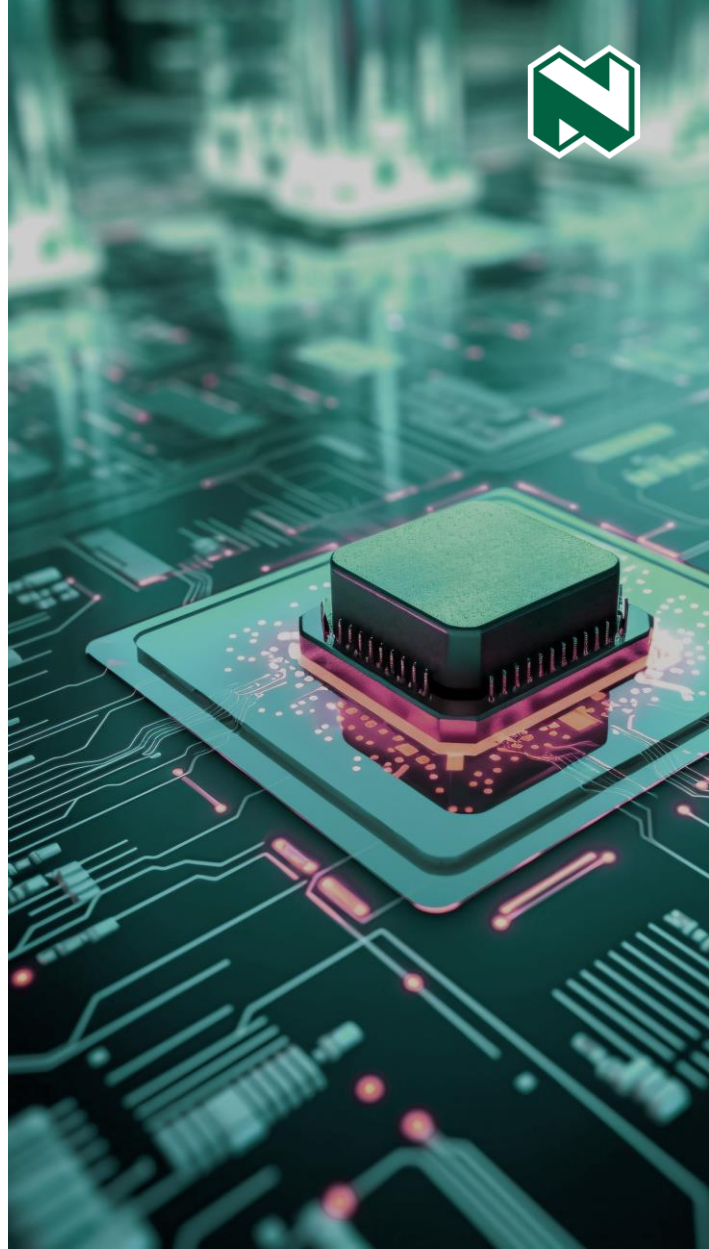


If the SOAISPR Index performance is negative at the end of the investment term:

- and the negative performance is less than or equal to 50%, the full initial investment amount in ZAR will be returned to the investor; however
- if the negative performance is greater than 50%, the initial investment amount in ZAR will be reduced by the full negative performance.



If the SOAISPR Index is flat at the end of the investment term, the full amount of the initial investment in ZAR will be returned to the investor.



Distributed through Nedbank Private Wealth

Contact details

For more information about the **Nedbank AI note** contact the Nedbank Online Trading Team.

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Nedbank will repay the initial amount (if any) at the end of the relevant term, together with the return (if any), subject to the terms and conditions of the programme. Investors should receive a monthly account statement from their financial adviser showing the current value of the relevant security, subject to the terms and conditions of the programme. The price of the relevant security should be published daily in the press by the JSE. Although the JSE provides a daily price, the product is of such a nature that full repayment is available only at maturity of the relevant security. During the term of the relevant security, the value thereof could be lower than the expected maturity value. All fees and charges are disclosed in the relevant marketing document and are payable by the investor to the financial adviser in each case. Nedbank receives no benefit in the form of fees, charges or otherwise from any investor or financial adviser. The past performance of any relevant security is not necessarily a guide to future returns and Nedbank gives no warranty in terms of the performance or profitability of the relevant security. Please note (if applicable) that the use of words such as (or similar to) 'protected' or 'minimum return' in the name of any relevant security or anywhere in the relevant document refers only to the obligation of Nedbank to repay any initial principal amount at maturity. Any early termination of the relevant security for any reason, including at the request of an investor or any early redemption event or disruption event in terms of the programme, may result in a loss for the investor. A loss could also result from Nedbank not being able to perform its obligations in terms of the programme. The relevant security is not guaranteed by any party.

The relevant security is a financial instrument listed on the JSE and represents a parcel of the investor's rights and obligations as the holder of the relevant security. As the holder of the relevant security the investment return (if any) is derived from the growth (if any) of a relevant index, indices or basket (as described more fully in the programme).

Investors can hold the relevant security with an investor administrator or stockbroker of their choice, provided that the relevant investor administrator or stockbroker has a Central Securities Depository Participant (CSDP) account where they can hold the relevant security for the relevant term on an investor's behalf. The relevant security will be registered in the name of a nominee company of the relevant investor administrator (it being the registered owner of the relevant security), but each relevant security will be allocated to each relevant investor as the beneficial owner thereof by way of a subregister per investor.

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