

A nighttime photograph of a cityscape, likely Johannesburg, with a large mountain (Table Mountain) in the background. Two silhouetted figures are standing on a ledge in the foreground, looking out over the city lights.

Nedbank Top 40 Equity-linked Note

Get capital appreciation from top South African shares over a 3,5-year period with partial protection from negative returns on your initial investment.

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



Overview

The Nedbank Top 40 Equity-linked Note (**NELN Top40 note**) is a listed security on the JSE that enables investors to gain exposure to South African equity markets through a diversified local index, while delivering partial capital protection on a rand investment amount at maturity.

The partial capital protection means you can invest in the top South African listed companies and benefit from capital preservation, even if there is a 25% decline in the index. In other words, your invested capital will be impacted only if the equity index declines by more than 25% over the term of the investment.

This investment references the FTSE/JSE Top 40 Index (**Top 40**), which encompasses the 40 largest companies by market capitalisation listed on the JSE.

The investment is best suited for investors looking to:

- gain diversified exposure to the South African equity market;
- get higher exposure to the potential growth of the Top 40 Index over 3,5 years due to upside gearing; and
- benefit from capital protection from a 25% decline in the reference index.

Investment summary

Term*	3,5 years
Index	FTSE/JSE Top 40 Index
Capital protection	Conditional on the final index level (If) being greater than 75% of the initial index level (Ii).
Indicative upside gearing**	1,80 times
Fees	
Product fee to adviser	0,69% per annum
Equity index cap	30%
Indicative maximum equity return	54% (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 and will be determined on the trade date based on the prevailing market conditions. The indicative maximum return will be calculated using the gearing provided on the trade date.



How to invest

The **NELN Top 40 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 Limited provides daily pricing to the JSE.
- In normal market conditions, the early-termination value is determined in relation to the mark-to-market value of the **NELN Top 40 note** at the time. The value will fluctuate and may be below the initial investment amount if it is sold before maturity.
- Monthly valuation will be displayed on investors' portfolio screen and statements.

Risk profile

The risk of the **NELN Top 40 note** is significantly lower than a direct equity investment as your original invested amount is partially protected against the first 25% decline of the equity index by Nedbank Limited.

However, this investment has a higher risk profile than a fixed-deposit investment with Nedbank Limited 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 25% at maturity.

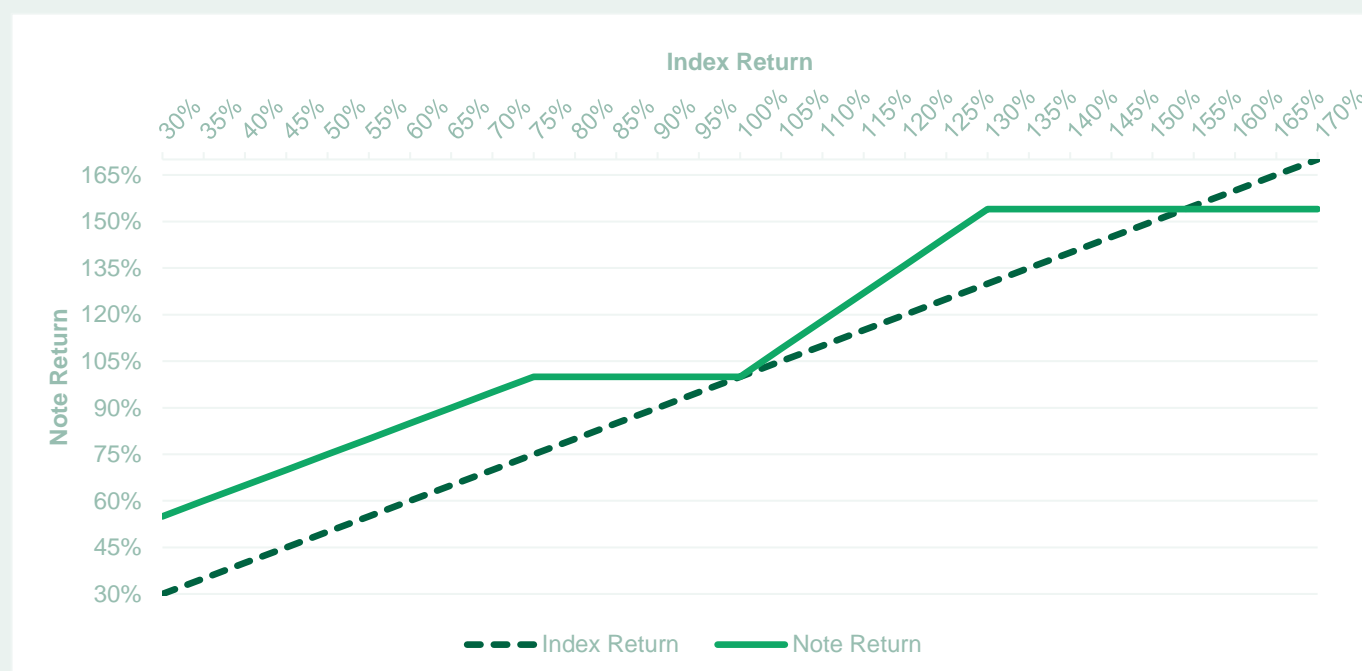
* The amount that investors receive if they do not remain invested for the full term will be the sum of the unwind values received for the underlying hedge components used to construct the pay-off of the note.



Return profile

The geared upside feature of the NELN Top 40 note means that the investment pays an amplified return in comparison to the gains of the index up to a defined maximum return. The NELN Top 40 note also provides for partial protection against a 25% decline in the index.

The return profile of the NELN Top 40 note is equal to the initial investment amount plus the equity return, where the equity return is determined by comparing the final index level to the initial index level. The note is designed to deliver superior returns relative to the underlying index where the 'Note return' (solid green line) is depicted to be above the 'Index return' (dotted line).



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

Market performance	Return on investment	Pay-off profile example			
50%	+54%	An investment of R100 000 into the NELN Top 40 note would return the below returns if it is held until maturity:			
40%	+54%				
30%	+54%				
20%	+36%				
10%	+18%				
0%	0%	Final index level	Market performance	Return on investment (%)	Return (R)*
-10%	0%	88 850,07	+30%	54%	154 000
-20%	0%	78 598,14	+15%	27%	127 000
-30%	-5%	68 346,21	0%	0%	100 000
-40%	-15%	58 094,28	-15%	0%	100 000
-50%	-25%	47 842,35	-30%	-5%	95 000

* Return includes delivery of capital invested amount.
Indicative initial index level on the Top 40 Index of 68 346,21 at 28 March 2024.

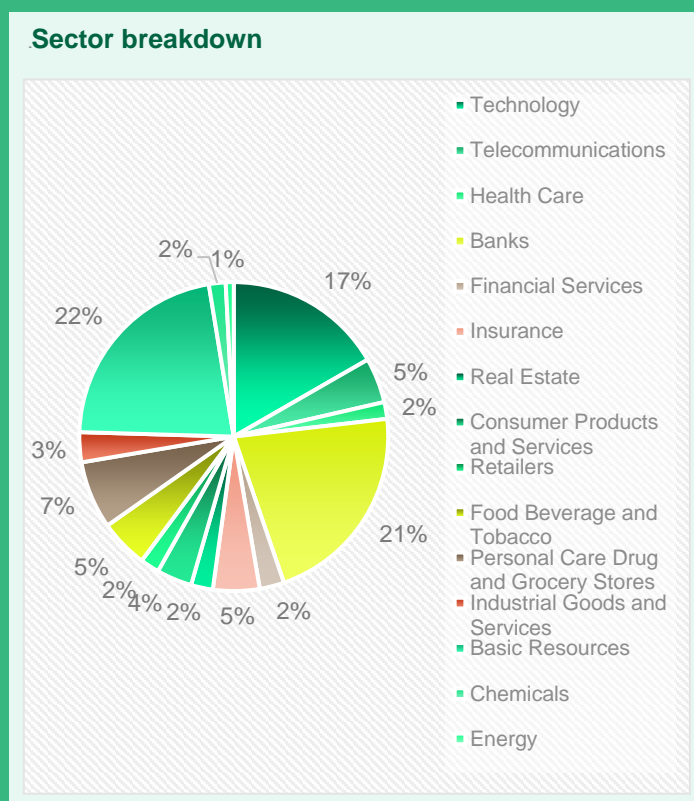
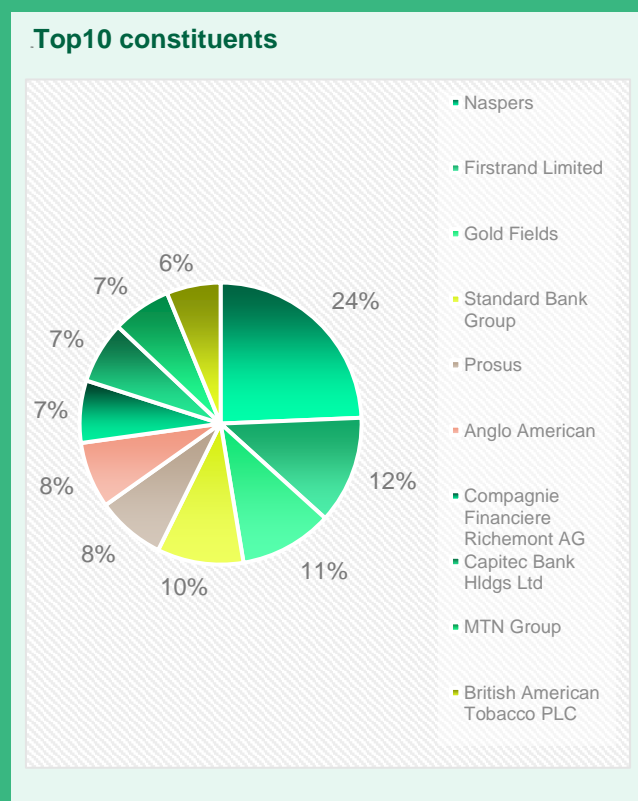
What is the FTSE/JSE Top 40 Index?

The FTSE/JSE Top 40 Index represents the performance of the 40 largest companies ranked by market capitalisation in the South African market. The stocks are screened and weighted to ensure sufficient liquidity and tradability of the index.

The index has exposure to various sectors, which results in exposure to a well-diversified range of shares.

Top10 constituents	Weights (%)
Naspers	12,61
FirstRand Limited	6,40
Gold Fields	5,54
Standard Bank Group	5,13
Prosus	4,09
Anglo American	3,94
Compagnie Financiere Richemont AG	3,70
Capitec Bank Hldgs Ltd	3,68
MTN Group	3,50
British American Tobacco PLC	3,21

Sector breakdown	Weights (%)
Technology	16,70
Telecommunications	4,71
Health Care	1,76
Banks	21,57
Financial Services	2,57
Insurance	4,87
Real Estate	2,29
Consumer Products and Services	3,70
Retailers	2,00
Food Beverage and Tobacco	5,08
Personal Care Drug and Grocery Stores	7,09
Industrial Goods and Services	3,13
Basic Resources	21,95
Chemicals	1,75
Energy	0,84



Source: FTSE Russell as at 28 March 2024

Summary of investment return scenarios



If the Top 40 Index performance is positive at the end of the investment term, that positive return (up to the cap level) is multiplied by the gearing factor to give the equity return earned in ZAR. That geared positive return, together with the initial investment amount, determines the investments return.



If the Top 40 Index performance is negative at the end of the investment term –

- and the negative performance is less than or equal to 25%, the full initial investment amount will be returned to the investor; however
- if the negative performance is greater than 25%, the initial investment amount will be reduced only by the percentage negative return that exceeds 25%.



If the Top 40 Index is flat at maturity, the full amount of the initial investment capital will be returned to the investor



The FTSE/JSE Top 40 Index performance



Source: Bloomberg at 28 March 2024

Distributed through Nedbank Private Wealth

Contact details

For more information about the **NELN Top 40 note** contact the Nedbank Online Trading Team.

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There is an inherent risk in investing in any financial product, including in the buying or selling of JSE authorised investments, due to the risk of loss and uncertain future results. Past performances are not necessarily indicative of future performances.

Investors must read this document carefully, together with the programme memorandum and the applicable pricing section of Nedbank Limited's Structured Note Programme, which may be updated from time to time (programme) as well as the relevant marketing documents. If investors are unsure about the suitability of the relevant security, they should consult their financial adviser.

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.

Potential investors are responsible to seek independent professional legal, tax and accounting advice to consider the investment in light of their particular circumstances. Nedbank accepts no responsibility for the treatment by any court of law, tax, banking or other authority in any jurisdiction of the relevant security and no undertaking, warranty or representation is given with regard to the outcome of any relevant security.