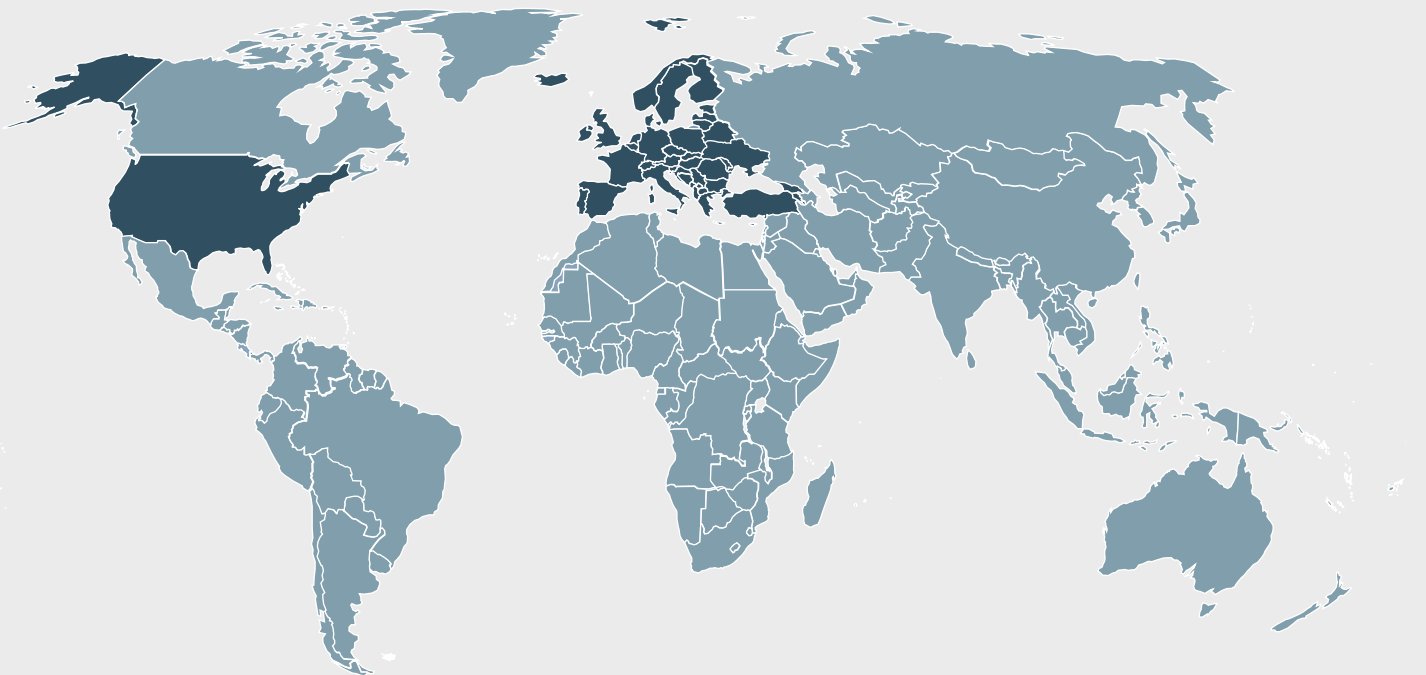




# JALTECH'S STRUCTURED PRODUCTS

**EUROPE & US TECH AUTOCALL**



**Important to note:** The information contained herein is a summary of the detailed term sheet prepared by the issuing entity. In addition, the below coupon is indicative and may vary up or down at the closing date of the investment. Prior to finalising the investment, Jaltech will provide the investor and/or financial advisor with the detailed term sheet as well advise the parties if the final enhanced return is lower than stated below. Investors will have the discretion thereafter whether to proceed with the investment or not.

## EUROPE & US TECH AUTOCALL

The Europe & US Tech Autocall is linked to the Bloomberg Transatlantic Tech Titans 2023 Decrement 5% index ("Bloomberg Tech Index") consisting of a fixed basket of 5 European and 5 US technology companies.

The Europe & US Tech Autocall will automatically redeem and pay capital plus a return of 15% per annum (in ZAR) if the Bloomberg Tech Index is flat or positive at the 1<sup>st</sup>-anniversary date or annually thereafter until maturity in year 5.

The investment has a memory feature which means that the 15% per annum return will be rolled over if the payment is not triggered in any of the years during the investment term (see examples below).

## HOW HAS THE INDEX PERFORMED IN THE PAST?

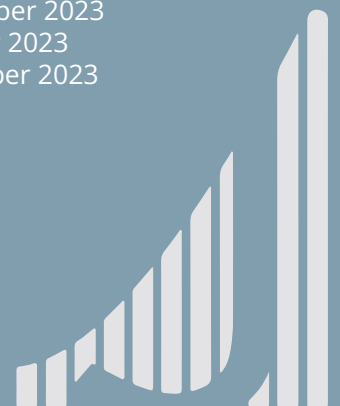
The main objective for most investors in autocall structured products is for a trigger event to occur so that the return is paid out to the investor.

Within this investment, the trigger event is if the Bloomberg Tech Index is flat or positive at the 1st-anniversary date or annually thereafter until maturity in year 5. Had an investor invested in the Europe & US Tech Autocall over the past 15 years and been invested until either being autocalled or until maturity, the investor would have had:

1. a **96%** probability of being autocalled during the term
2. a **90%** probability of being autocalled within the first two years
3. **0%** probability of losing a portion of their investment amount

## INVESTMENT HIGHLIGHTS

- » **Currency exposure:** ZAR
- » **Capital protection:** 100% capital protection provided the index has not dropped by more than 30% at the maturity date
- » **Underlying index:** Bloomberg Transatlantic Tech Titans 2023 Decrement 5% Index
- » **Annual yield:** 15%
- » **Term:** 5 years or when autocall is triggered
- » **Minimum investment:** R250 000 (which can be spread across Jaltech's structured products)
- » **Counter party rating:** Standard & Poor rating of A+
- » **Autocall activated:** The autocall will be triggered if the Bloomberg Tech Index is flat or positive at the 1st-anniversary date or annually thereafter until maturity in year 5
- » **Investment closing dates:**
  - 4 September 2023
  - 2 October 2023
  - 6 November 2023



## RETURNS EXPLANATION

The Europe & US Tech Autocall redeems and pays a coupon of 15% per annum in ZAR if the index is flat or positive compared to its starting level, observed at each anniversary from year 1 (thereafter annually) until maturity in year 5. By way of an example, below are three scenarios illustrating the potential payoff of the investment.

### SCENARIO 1:

	Index value (relative to starting value)	Return	Capital returned	Redemption amount
At the first anniversary	Negative	Zero – investment continues	Zero – investment continues	Zero – investment continues
At the first anniversary	Flat or positive	15%	100%	115% – investment redeems

### SCENARIO 2:

	Index value (relative to starting value)	Return	Capital returned	Redemption amount
At the second anniversary	Negative	Zero – investment continues	Zero – investment continues	Zero – investment continues
At the second anniversary	Flat or positive	30%	100%	130% – investment redeems

### SCENARIO 3:

	Index value (relative to starting value)	Return	Capital returned	Redemption amount
At the end of the 5 year term	-1% to - 30%	Zero	100%	100% – investment redeems
At the end of the 5 year term	-31%	Zero	69%	69% – investment redeems
At the end of the 5 year term	Flat or positive	75%	100%	175% – investment redeems

## WHEN IS MY CAPITAL AT RISK?

Investors' initial contribution has 100% capital protection provided:

1. no default or credit event occurs with respect to the financial institution issuing the note;
2. the Bloomberg Tech Index is not down by more than 30% at the end of the 5-year term; and
3. the investor remains invested until the maturity date.

The financial institution issuing the note is rated by Standard & Poor's as A+, which is higher than all South African banks.

## EARLY EXIT

Investors can exit before the 5-year term, however, by doing so, the investor will forgo any capital protection. The investment value on early exit will be based on the mark-to-market value of the instrument at the time of early exit less a cost of 0.5%. This may result in a gain or loss for the investor.

## IMPORTANT DATES

Closing Date:	Trade Date:	Maturity Date:
4 September 2023	Approx 11 September 2023	11 September 2028
2 October 2023	Approx 9 October 2023	9 October 2028
6 November 2023	Approx 13 November 2023	13 November 2028

## FEES

The fees pursuant to this investment include a 1.25% annual fee\* and a once-off endowment wrapper fee\*\* of 2.5%. The once-off endowment wrapper fee, is charged in order to make use of the tax efficient structure within which this investment is wrapped in.

\*The annual fee is charged regardless as to whether the investor remains invested until the maturity of the investment or not. Note that this fee will not reduce the investor's committed capital.

\*\* The endowment wrapper will restrict an investor from withdrawing more than 105% of their investment value during the 5 year term, and the associated fee will reduce the investor's committed capital by 2.5%.

## ENDOWMENT WRAPPER

The Europe & US Tech Autocall is structured through a local endowment. The benefit to investors is that income generated from the investment in the endowment is taxed at 30% (versus the current highest marginal tax rate being 45%).

The endowment does, however, limit investors to one withdrawal during the 5-year term, which withdrawal is limited to a maximum of 105% of the invested amount.

## INDEX COMPOSITION

The Bloomberg Tech Index provides exposure to a fixed basket of the 10 companies listed below. The Bloomberg Tech Index takes the annual performance of the companies and reinvests dividends annually (if any), and then deducts 5% from the performance of the index. The deduction occurs daily by deducting 0.137% (5%/365) from the performance of the index.

The 10 companies are equally weighted within the index with rebalancing occurring quarterly.

## THE COMPANIES MAKING UP THE BLOOMBERG TECH INDEX



### EUROPE



#### Prosus

Prosus is a global consumer internet group and one of the largest technology investors and operators in the world. The group is focused on building meaningful businesses in the online classifieds, payments & fintech, food delivery and education technology sectors in markets including Europe, India and Brazil.



#### SAP

SAP is one of the world's leading producers of software for the management of business processes. SAP also develops solutions that facilitate effective data processing and streamline information flow across organisations.



#### ASML Holdings

ASML is one of the world's leading manufacturers of chip-making equipment. They design and manufacture lithography machines that are an essential component in chip manufacturing.



#### Infineon Technologies

Infineon Technologies develops, manufactures and markets a uniquely broad range of semiconductor products for the communications, automotive and memory markets.



#### STMicroelectronics

ST is a leading supplier of many of the key technologies going into the next generations of consumer devices: Microcontrollers for low and ultra-low power processing, Secure solutions, Sensors and Actuators, Connectivity, Conditioning and Protection, Motor Control, and Power & Energy Management.



## THE COMPANIES MAKING UP THE BLOOMBERG TECH INDEX



US



### Apple Inc.

Apple Inc. (Apple) designs, manufactures and markets smartphones, personal computers, tablets, wearables and accessories and sells a range of related services. The Company's products include iPhone, Mac, iPad, AirPods, Apple TV, Apple Watch, Beats products, HomePod, iPod touch and accessories.



### Nvidia

Nvidia is a dominant supplier of artificial intelligence hardware and software. Its professional line of GPUs are used in workstations for applications in such fields as architecture, engineering and construction, media and entertainment, automotive, scientific research, and manufacturing design.



### Amazon

Amazon.com is a vast Internet-based enterprise that sells books, music, movies, housewares, electronics, toys, and many other goods, either directly or as the middleman between other retailers and Amazon.com's millions of customers.



### Microsoft

Microsoft is the largest vendor of computer software in the world. It is also a leading provider of cloud computing services, video games, computer and gaming hardware, search and other online services.



### Alphabet

Alphabet Inc (Alphabet), the holding company of Google, is a global technology company. It offers a wide range of products and platforms including Search, Google Maps, calendar, ads, Gmail, Google Play, Android, Google Cloud, Chrome, and YouTube.



(+27) 11 880 0950



info@jaltech.co.za



Unit 19, 1 Melrose Blvd, Melrose Arch



www.jaltech.co.za



# EUROPE & US TECH AUTOCALL

## CONTACT INFORMATION

For more information please contact:

### Chris McCormick

✉ [chrismc@jaltech.co.za](mailto:chrismc@jaltech.co.za)

☎ (+27) 11 880 0950

### Jonty Sacks

✉ [jonty@jaltech.co.za](mailto:jonty@jaltech.co.za)

☎ (+27) 11 880 0950

**Disclaimer:** Terms and conditions contained herein are indicative only and the final terms and conditions will be communicated to the investor prior to investing. The information contained in this communication does not constitute an offer, advertisement or solicitation for investment, financial or banking services. It is for informative purposes and is not intended to constitute advice in any form, including but not limited to investment, accounting, tax, legal or regulatory advice. The information, therefore, has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. The material is based upon information that we consider to be reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. All illustrations, forecasts or hypothetical data are for illustrative purposes only and are not guaranteed and past performance is not indicative of future performance. The sender accepts no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this communication. Prospective investors should be fully aware of the risks involved in dealing with financial products. Jaltech Management Company is an authorised Financial Services Provider (FSP 49087).

☎ (+27) 11 880 0950

✉ [info@jaltech.co.za](mailto:info@jaltech.co.za)

📍 Unit 19, 1 Melrose Blvd, Melrose Arch

🌐 [www.jaltech.co.za](http://www.jaltech.co.za)