Investec
Low Hurdle Developed Markets Income - October 2015
Factsheet



INVESTMENT DESCRIPTION

A 6-year investment linked to the performance of the UK, US and European markets - seen as some of the most developed of the global economies.

The investment offers an income payment of 2.3% semi-annually (4.6% pa) triggered by a "low hurdle barrier" designed to maximise the opportunity for payment – particularly when linked to markets which tend to be robust and less volatile than many .

If on any of the semi-annual observation dates including the final observation the closing levels of all underlyings are **just 50%** of their initial levels the income coupon will be paid.

At the final observation date, so long as the underlying all exceed 50% of their initial levels, full capital will be repaid. Otherwise, the capital return will be reduced on a 1-for-1 basis. For example if the worst performing underlying has fallen to 40% of its original level 40% of the capital will be paid.

BENEFITS

- Opportunity for regular income payments even where markets have halved since launch
- A good level of capital security offered with a fall over the term of 50% needed for the capital to be at risk.
- Daily pricing and trading available

RISKS

- The return is limited to the pre-defined investment terms
- The income payment is conditional upon the underlying performance
- There is a risk to capital should one of the underlyings breach the capital barrier or the issuer default

Investec (comprising Investec Limited and Investec plc) is an international, specialist bank and asset manager which provides a diverse range of financial products and services to a niche client base across Europe, Australasia and South Africa. Established in 1974 and currently has approximately 8,200 employees. As at 31 March 2014, Investec had £109.9 billion of third party assets under management and on balance sheet assets of £47.1 billion. (*).

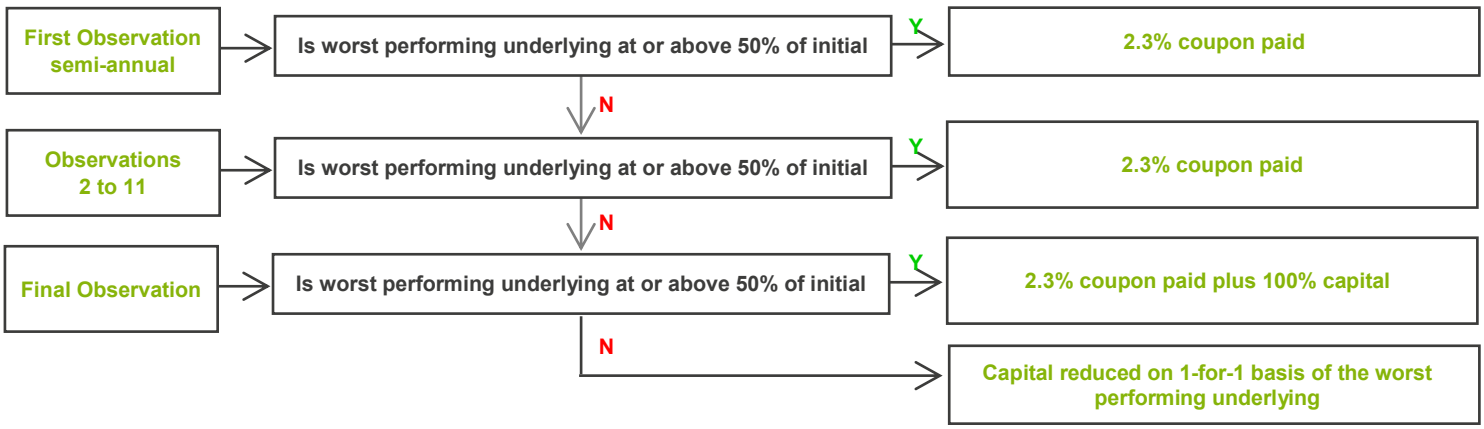
PRODUCT FACTS & FEATURES

Issuer and Counterparty:	Investec (Credit Ratings*: Moody's A3; Fitch BBB-)
Maximum Term:	6 years
Investment Structure:	Conditional Income
Coupon Trigger:	50% of initial level
Coupon Rate:	2.3% semi-annual (4.6% annualised)
Capital Risk:	Not capital protected
Capital Protection Barrier:	50% Final level (European style)
Underlying Basket:	FTSE 100 (UKX) S&P500 (SPX) Eurostoxx50 (SX5E)
Subscription Period:	24 Sep 2015 – 30 Oct 2015 (12:00pm GMT)

KEY DATES

Strike Date:	30 October 2015
Final Observation:	29 October 2021
Payment Date:	5 November 2021
Currency:	GBP
ISIN:	XS1315185105

HOW THE INVESTMENT WORKS



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SUITABILITY

May be suitable for investors who:

- are seeking the opportunity for higher returns than current cash rates
- understand and accept there is a risk to capital
- understand the criteria which will determine the income payment
- are looking to invest for the long term, being happy to remain invested until maturity
- are bullish on equity markets
- wish to use this investment as part of a well-diversified portfolio
- understand that the returns are pre-defined and that they will forgo growth in the underlyings which exceeds that fixed level
- understand the risk to capital in the event of counterparty default
- should they need to sell their investment accept that the trading price may mean they get back less then they invested

RATIONALE

Markets have seen some declines in recent weeks with the impact of the downward trend in the Chinese market compounded by the anticipated US interest rate not materialising. These events have added a cautious note to the investment decision making process.

China may be more of an issue in the short term over and above other factors with their approach to managing the situation not yet fully known; but in the medium term stability is expected to return. The selection of these three developed markets seeks to ease the fears of the cautious which they may have following the recent volatility.

The opportunity for an income stream is of key importance to investors as part of their wealth planning. With this investment the income is designed to be paid even where markets show a loss of up to 50%, a level which offers a very good chance of payments being triggered. Similarly, the choice of less volatile underlyings plus the 50% protection barrier at maturity is a feature which we feel will appeal to the cautious investor.

Whilst targeting the cautious investor, the inclusion of “low hurdle” income and protection barriers makes it an investment which can fit with a variety of any clients’ risk profiles.

THE UNDERLYINGS

The FTSE100 (UKX) is a capitalisation-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange. The equities use an investibility weighting in the index calculation. The index was developed in December 30, 1983.

The Eurostoxx 50 (SX5E) is Europe's leading blue-chip index for the Eurozone, provides a blue-chip representation of super sector leaders in the Eurozone. The index covers 50 stocks from 12 Eurozone countries

The S&P500 (SPX) is a capitalised-weighted index of 500 US stocks. The index is designed to measure performance of the broad domestic economy though changes in the aggregate value of the 500 stocks representing all major industries.

Source: Bloomberg 26.10.15

(*) Source Investec Bank plc as at 21/09/15

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