



**FTSE/JSE “Shareholder Weighted” TOP40  
Total Return Index ETN**  
Investec “SWXTRI”





## Exchange Traded Products (ETP's):

- Growth in the Industry
  - Market cap of the sector currently valued at R45bn
  - Growth of 11% in the past quarter alone
  - R12bn in 2006
  - 9 in 2006 to 61 today if we include the 3 latest listings from Investec
  - End Sep12 Hedge fund Industry was managing only R31bn
  - Of the above 61 ETP's more than half have managed to outperform the ALSI over the past 6 months



## Exchange Traded Products (ETP's):

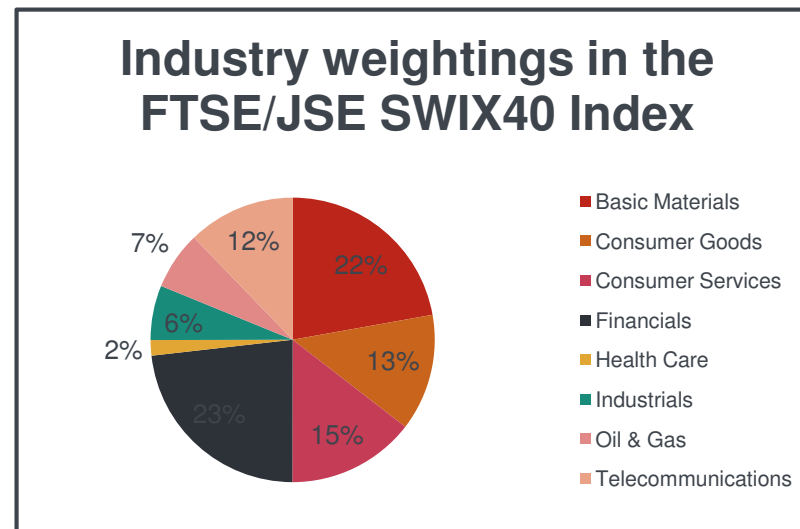
- Rationale for Investment
  - Government pressure on product providers to develop low-cost products to encourage South Africans to save more
  - Index-tracking products are subject to far lower expense ratios
  - Emulate the performance of general market movements
  - Engineer ownership of the benchmark
  - Can deliver the same or better performance than actively managed portfolios (National Treasury)
  - At a fraction of the risk or cost
  - Unit Trusts still make up the majority of products



## Investec “SWXTRI” ETN:

- Why the Swix40 Index?
  - Similar to the capitalisation-weighted Top40 Index, but weightings adjusted for both cross-holdings and strategic holdings
  - Provides similar diversification as the Top40 Index, with a more local focus (as well as a smaller exposure to Resources)

FTSE/JSE SWIX40 INDEX	
Stock	% Index Weight
MTN	10.58%
SOL	6.59%
BIL	6.19%
NPN	5.88%
SBK	5.82%
AGL	5.21%
FSR	4.16%
BTI	3.68%
SHP	3.45%
SAB	3.44%





## Investec “SWXTRI” ETN:

- Why the Total Return Index form?
  - Tracks the Swix40 Total Return Index (Swix40 TRI)
  - Swix40 tracks the price movements of the Top 40 companies on the Exchange (lower exposure to Resources than Top40)
  - The difference between Swix40 and its TRI being dividends
  - All dividends in the TRI are reinvested at time of payment
  - Thus the ETN gives full exposure to capital appreciation as well as the dividends, which are effectively reinvested



## Investec “SWXTRI” ETN:

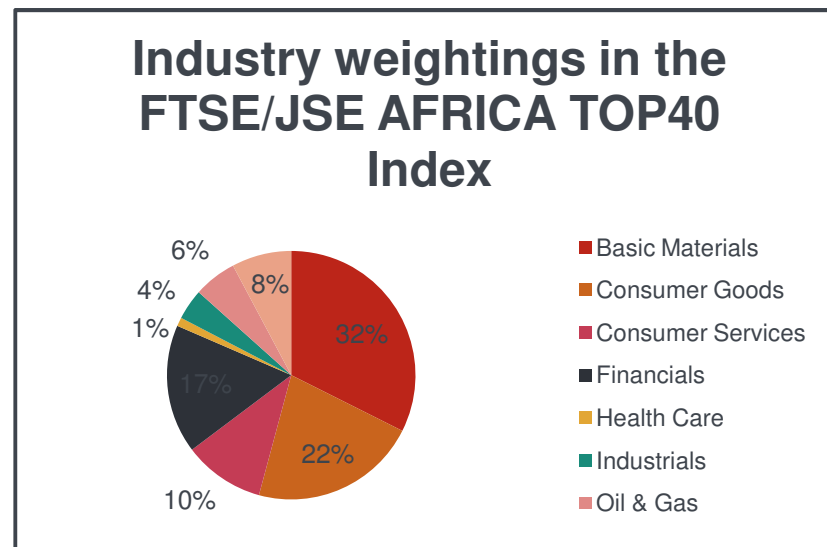
- Core Features
  - Cost effective exposure to the Swix40 Index
  - Listed and traded on the JSE
  - Tracks the complete return of the Index (price and distribution)
  - Liquidity Provided by Investec
  - No total expense ratios built into the price
  - Balance and diversified exposure to the South African economy



## Investec “TOPTRI” ETN

- FTSE/JSE Africa Top40 Index (Top40)
  - Diversified exposure to SA and International companies
  - Global leaders such as BHP Billiton, SAB, Sasol, Anglo and MTN

FTSE/JSE AFRICA TOP40 INDEX	
Stock	% Index Weight
BIL	13.17%
SAB	10.97%
AGL	8.31%
MTN	6.75%
CFR	6.46%
SOL	5.60%
NPN	5.00%
SBK	3.72%
OML	2.74%
FSR	2.66%





## What is the Investec Gold ETN?

- Financial instrument designed to provide the investor with a simple and transparent way in which to gain exposure to the US Dollar price of gold.
- Differentiator is that there is no exposure to the Dollar/Rand exchange rate. This is effected by the Quanto feature. The Quanto feature results in a percentage move in the underlying gold price being reflected in a similar percentage move in the Investec Gold ETN

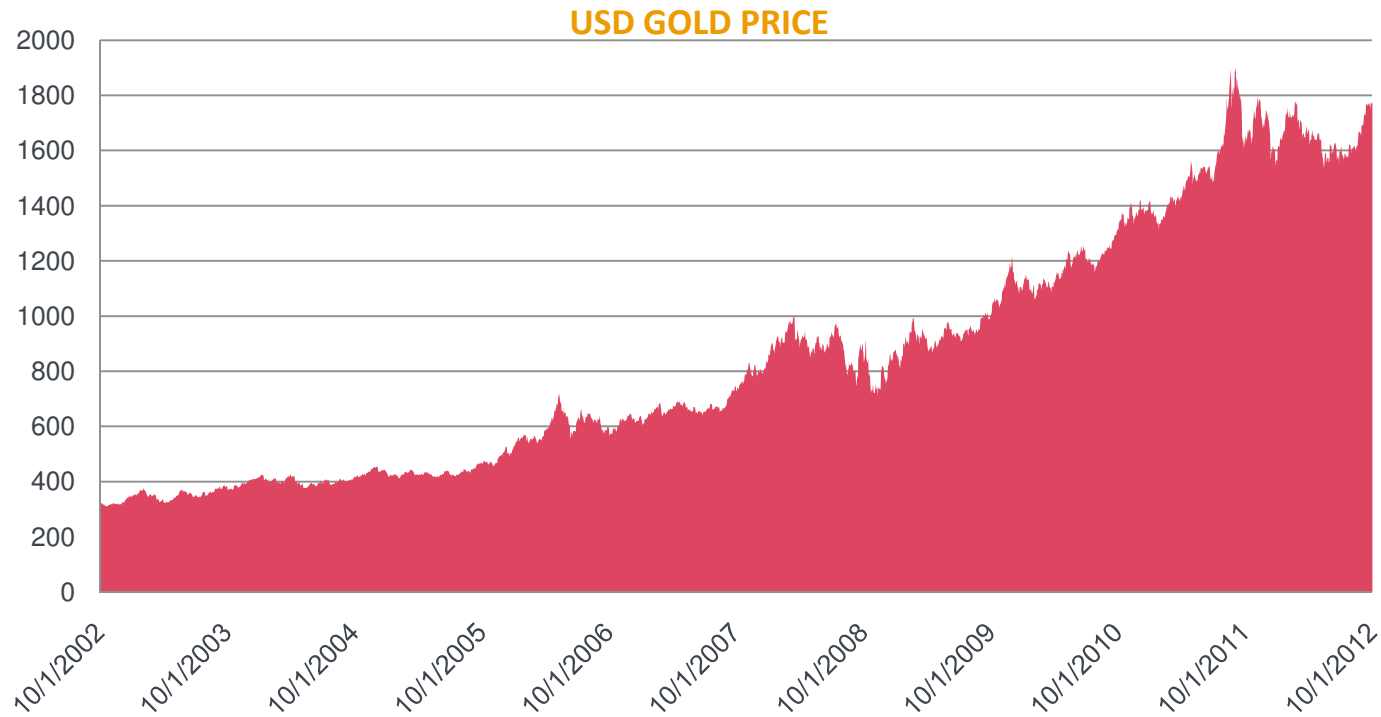
## Why Invest in Investec Gold ETN?

- The Investec ETN will provide a “pure” exposure to Gold market fundamentals without any currency contamination – no need to speculate on exchange rates!
- Gold has historically proved to be an excellent portfolio diversifier due to its negative correlation with the Rand and other asset classes such as equities and bonds
- Further reasons to invest:
  - Gold has historically acted as a hedge against inflation
  - ETN will pass on any funding benefit receivable net of the quanto linked cost to the note holder
  - The Investec Gold ETN does not have the associated storage cost associated with physical gold





## Price History and Monitoring

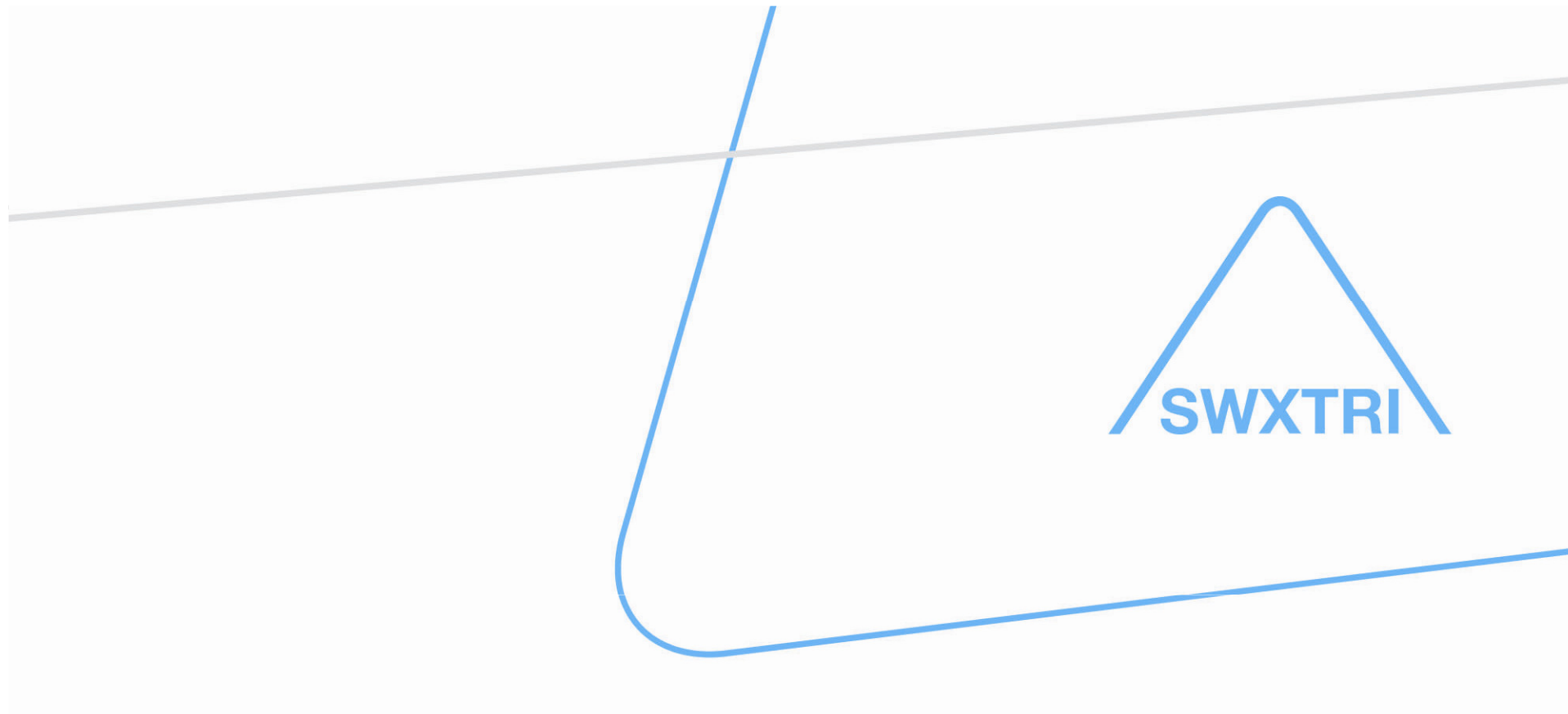


- The investment return will close match the USD Gold Performance, and will be published on Bloomberg , Reuters and the Investec Website.
- The dollar price of Gold has appreciated **by over 500% over the past 10 years.**

The logo for Gold ETN, featuring the text "Gold ETN" in orange, enclosed within a stylized orange outline that resembles a trapezoidal shape with rounded corners.

## Gold ETN

- The Investec Gold ETN is listed for a period of 5 years and can be actively traded on the JSE, with Investec Bank Limited (“IBL”) providing liquidity as a market-maker.
- The daily value of the Investec Gold ETN will be determined, amongst other factors, by the price at which the gold price is trading, and the Quanto Linked Fee.
- There is no annual management fee for the listing of the Investec Gold ETN, however investors who purchase Investec Gold ETN via a stockbroker will be subject to normal brokerage fees.
- The gold price value fluctuates and changes to these levels cannot be predicted.
- For more information on the **Quanto Linked Fee** as well as the daily adjustment rate please see our website [www.Investec.co.za/Investec Gold ETN](http://www.Investec.co.za/Investec%20Gold%20ETN).



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