

PRODUCT
PRESENTATION

2023

**BNP PARIBAS CLIQUET
(ZAR)
CAPITAL PROTECTED PLUS 4**

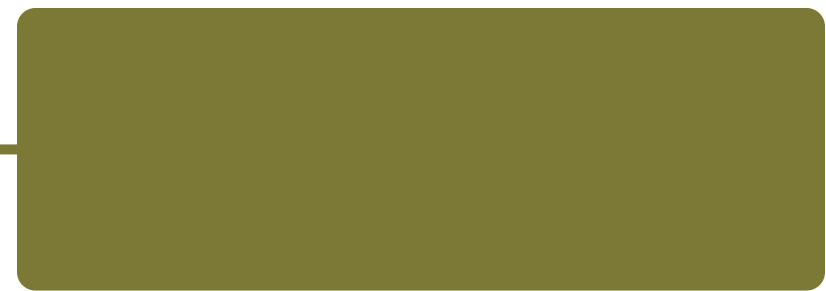




‘Structural’ shift to
Bank deposits as SA households
Seek safety in guaranteed returns.

A new report by FNB shows that 86%
of surveyed people now use banks as
part of their retirement savings

Source News 24 | Business 03 July 2023



BNP Paribas (ZAR) Cliquet Capital Protected Plus Series 4

**Offers what a bank deposit offers, and much,
much more:**



WHO WE ARE

Structured Investment Products South Africa (Pty) Ltd T/A SIP Nordic South Africa

A licensed financial services provider (FSP number 51065)

- The business originates from SIP Nordic, a Swedish privately owned licensed securities company (Founded in 2006, SIP Nordic has a presence in the Nordic countries, Europe and now South Africa)
- SIP Nordic SA Commenced trading 2020
- We are independent

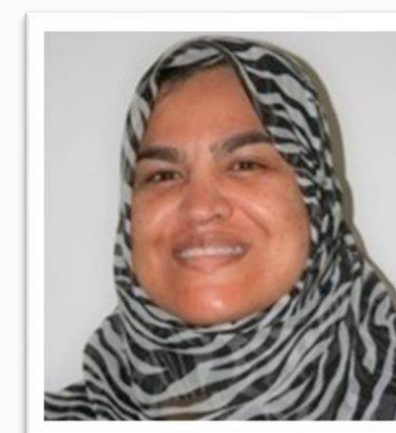
MEET THE SOUTH AFRICAN TEAM



Peter Steele

Managing Director

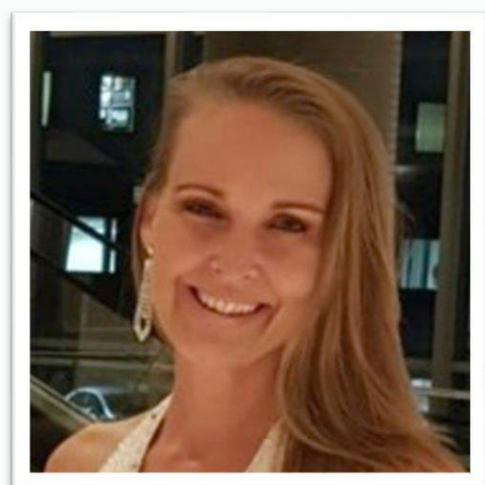
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SIP Nordic SA wins Global Award

Source: CorporateLiveWire 2022/2023

www.corporatelivewire.com



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BNP PARIBAS

SIP Nordic SA is a marketer of BNP Paribas products

- Award winning World leader in Structured Products
- Largest issuer of Structured Products globally
- 7th Largest International Bank (65 countries)
- Leading European Bank (SRP Europe Awards 2022, Central Banking Awards 2022, Global Markets Awards 2022)
- Worlds Best Bank 2023 (Euromoney)
- BNP Paribas will issue the structured product and provide the guarantee
- Excellent credit ratings from the top 3 rating agencies: S&P(A+), Fitch(AA-) & Moody's(Aa3)

Source: BNP Paribas, August 2023

[Visit their Website](#)

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ITRANSACT

Itransact is an independent investment product platform (Category III LISP)

- Distribution
- Application Forms
- Investor KYC
- Policy administration
- Income payments
- Capital distributions
- Maturities

Source: Itransact, August 2023

[Visit their Website](#)

Q4 23 ASSET ALLOCATION OUTLOOK – FAVOURABLE FOR STRUCTURED PRODUCTS

Source: Anchor Capital, The Navigator: Anchors Strategy and Asset Allocation, 4Q23

[Visit their Website](#)

This view is based on an estimate of the risk and return properties of each asset class in question
Alternatives includes hedge funds, **protected equity structured products**, and physical property

Asset class	Current stance			Expected returns (own currency) (%)	Expected returns with soft landing and rate cuts (own currency) (%)	Expected returns, rates higher-for-longer (own currency) (%)
	Negative	Neutral	Positive			
GLOBAL						
Equity	●	●	●	7	9	2
Government bonds	●	➤	●	9	12	5
Corporate credit	●	➤	●	8	8	8
Listed property	●	●	●	5	9	1
Cash	●	●	●	4	4	4
Alternatives*	●	●	●	8 to 15	8 to 15	8 to 15

*Alternatives includes hedge funds, protected equity structured products and physical property.

CLIQUET CPP4 - Minimum 145% Maturity Value Guaranteed

Minimum **Guaranteed Floor 9%** or Uncapped Index Growth x **165% Indicative Gearing** locks-in annually & pays out at maturity with **100% Capital Protection**

FSCA Licence Category Required:

1.4 Long-Term Insurance Subcategory C

How it works

- Opens on 31 October 2023 & Closes on 28 November 2023
- Tax efficient Endowment
- Payoff, the greater of:
 - Minimum Guaranteed Floor of **9%, annually (7.92% net of tax)**
 - OR
 - Uncapped Index Growth x **165% Indicative Gearing, annually**
- Index resets annually, growth generated is locked-in and cannot be eroded in subsequent years
- In the event of a negative year, the investor will not participate in the loss, **Minimum Guaranteed Floor 9%**
- Uncapped Geared Growth or the Floor locks in annually, vests, and is paid at maturity with **100% Capital Protection**
- The pay off accrues to the investor at maturity, not before. The return profile is growth* Growth is capital in nature. There is no interest, rental, or investment income (dividends). Thus, CGT applies and is calculated at the Life Company rate at maturity

Risks

- Liquidity risk
- Index risk
- Issuer counterparty risk
- No currency risk as the investment is denominated in ZAR

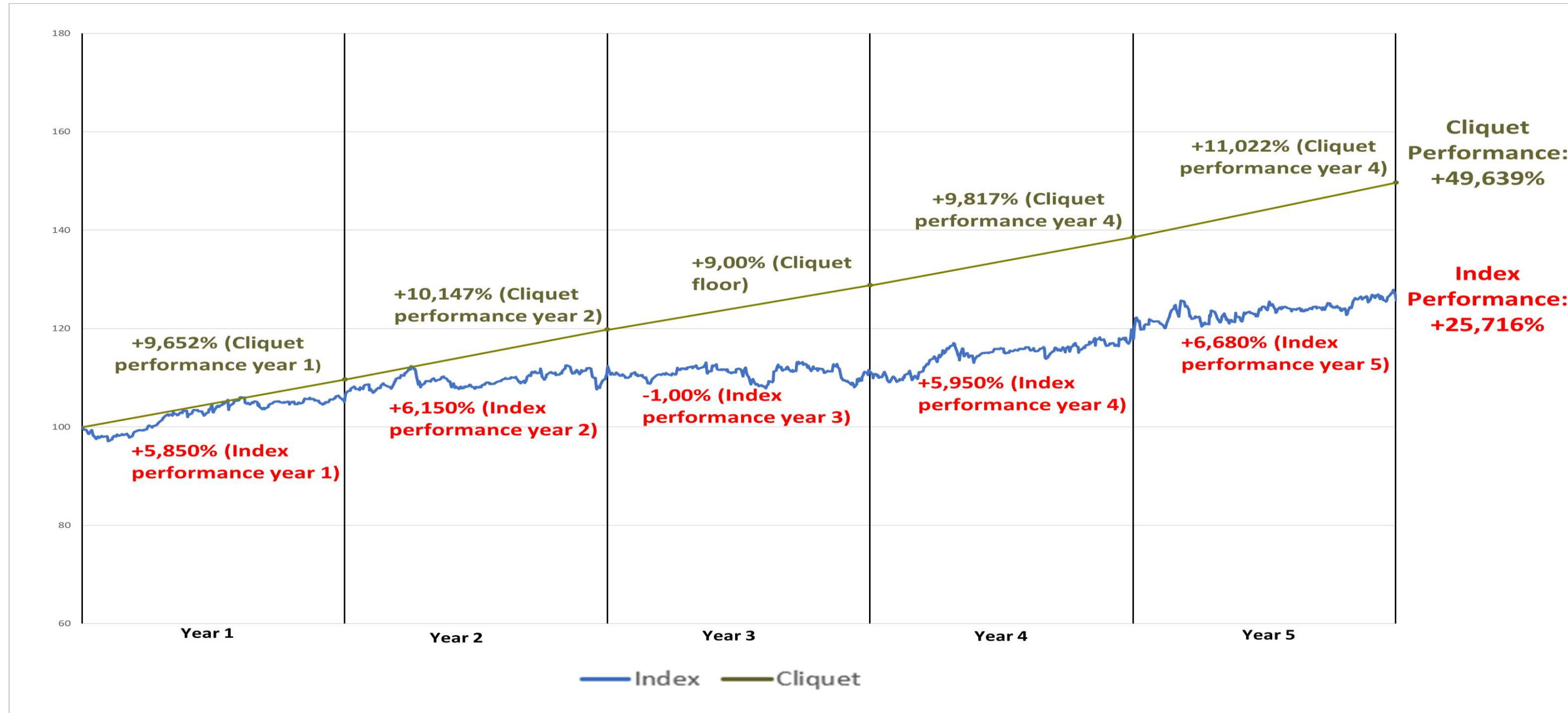
Index Exposure

The **BNP Paribas Multi Asset Diversified 5 Index** is a rules-based index which seeks to measure the performance of a diverse range of asset classes across a number of geographic regions. The index dynamically rebalances its weighting to these on a daily basis, based on momentum investing principles and subject to a certain level of volatility. In addition, the BNPP MAD 5 Index includes a risk control mechanism which seeks to further reduce volatility and large drawdowns. Bloomberg Code BNPIMAD5 Index

Minimum Investment

R100 000

CLIQUET VS MARKET VOLATILITY - GRAPHICAL ILLUSTRATION



This graph illustrates how the annual resetting of the Cliquet takes advantage of market volatility, thus generating enhanced returns during positive market periods and a 0% return in negative market periods. NB: The annual floor of 9% is guaranteed, while the gearing of 165% is indicative until repriced and guaranteed on trade date. Past performance is not indicative of future performance.

CLIQUET – Capital Protected Plus 4

Cash Flow simulation based on R1m initial investment

CASHFLOW SIMULATION			
Yr	Index %	Gearing	Growth
1	5,85%	165%	9,6525%
2	6,15%	165%	10,1475%
3	-1,00%	165%	9,0000%
4	5,95%	165%	9,8175%
5	6,68%	165%	11,0220%
TR	23,63%		49,64%
AAR	4,73%		9,93%

All fees are integrated into the structure of the Investment, so the calculated returns will be based on 100% allocation of the investment.
 *Simulated or historic geared growth is not an indicator of future performance.

Back Testing Data (Source: Bloomberg, BNP Paribas, October 2023)			
BNP Paribas Multi Asset Diversified Index (Bloomberg: BNPIMAD5 Index)			
Underlying	Start date	End date	Simulations
BNPIMAD5	01-Jan-2009	18-Oct-2018	2556

% Yield	Probability	Frequency	Yield
[7.0%,7.6%]	0,00%	0	Minimum 7,71%
[7.6%,8.2%]	4,81%	123	Maximum 12,85%
[8.2%,8.8%]	12,99%	332	Average 9,93%
[8.8%,9.4%]	19,33%	494	
[9.4%,10.0%]	17,25%	441	
[10.0%,10.6%]	14,20%	363	
[10.6%,11.2%]	16,12%	412	
[11.2%,11.8%]	10,17%	260	
[11.8%,12.4%]	3,40%	87	
[12.4%,13.0%]	1,72%	44	

Back Testing: Uncapped Index Returns, When geared by **165%**, have exceeded **8,80%** **82,20%** of the time (2101 simulations)

BNP Paribas (ZAR) Cliquet Capital Protected Plus 4.						
Minimum guaranteed floor 9,00 % or Uncapped index growth x 165% indicative gearing locks-in annually & pays out at maturity with 100% capital protection						
1st Anniversary	2nd Anniversary	3rd Anniversary	4th Anniversary	5th Anniversary	Payout @ Maturity	
R96 525,00	>	>	>	>	R96 525,00	
	R101 475,00	>	>	>	R101 475,00	
		R90 000,00	>	>	R90 000,00	
			R98 175,00	>	R98 175,00	
				R110 220,00	R110 220,00	
					Initial Investment >>>	R1 000 000,00
					Gross Maturity Value >>>	R1 496 395,00
					Less Capital Gains Tax @ 12%	R59 567,40
					Nett Maturity Value >>>	R1 436 827,60

9.00% p.a = 7,92% after tax for individuals.
 1. Index resets annually, growth generated is locked-in and cannot be eroded in subsequent years
 2. In the event of a negative year, the investor will not participate in the loss
 Tax: CGT is calculated at the preferential rate of 12% for individuals & trusts and 21,6% for companies.

Key	
Yr	Annual periods 1 to 5.
Index %	%'s used are within range of fact sheet performances, so as to match the geared growth in back testing data.
Gearing	Indicative gearing.
Growth	Geared uncapped index returns, or guaranteed minimum floor. Also known as yield.
TR	Total Return over 5 year period.
AAR	Average Annual Return over 5 year period.
Probability	% Occurance, in which geared growth occurred in back testing.
Frequency	Number of annual periods in which geared growth occurred in back testing.
Yield	Annual index return x gearing, expressed as minimum, average and maximum achieved in back testing.

This product was specifically built for

Risk averse Investors who are typically using:

- Money Market Funds
- 60-Month Bank Deposits
- Life Company 5yr Guaranteed rates;

As well as Investors with the appetite for added potential for uncapped geared growth exceeding 9% p.a. locked in annually and paid out at maturity. (7.92% net of tax)

Updated 16 Oct 2023

Money Market Funds	Effect Rate
Allan Gray	8.940%
SYmmETRY	8.680%
Nedbank	8.660%
Coronation	8.650%
Absa (Prudential MM)	8.590%
PSG	8.410%

(Commission at 3% plus VAT - 3.45)

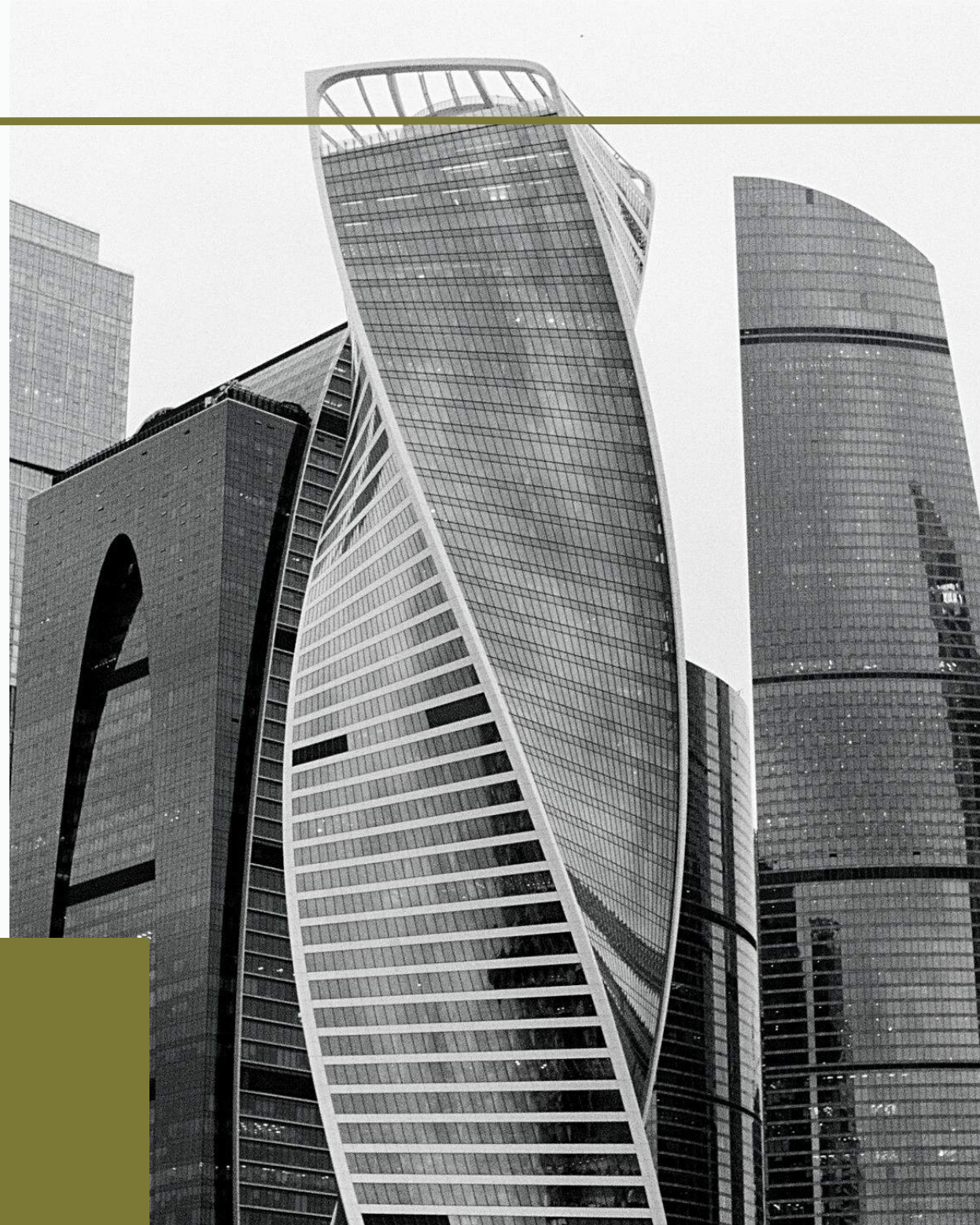
Comparison of secured investment rates (Investment for five year period)

Institution	Secured Return**	% Return on investment**
1Life	R 142 497.73	7.340%
Momentum	R 135 710.00	6.300%
Discovery	R 134 153.34	6.052%
NEDgroup LIFE*	R 133 948.85	6.020%
Clientele life*		

** Initial investment is R 100,000.

Capital Gains Tax has been taken in account on the quoted rates of return at the current tax rates for individuals.

Source: Moonstone Indicators



ELIGIBLE ENTITIES (ENDOWMENTS) & CGT

- Natural Persons or Trusts (with natural persons as beneficiaries)

12% CGT on annual accumulated index geared growth after 5 years

- Companies, legal entities (e.g., NPO) or Trusts (with legal entities as beneficiaries NOT natural persons)

21.6% CGT on annual accumulated index geared growth after 5 years

- Tax is paid to SARS by the Life Company on client's behalf

WHAT ARE THE FEES & CHARGES WHEN INVESTING?

All fees are integrated into the structure of the Investment, thus calculated returns will be based on 100% of the capital invested

- Issuer: BNP Paribas Issuance B.V.
- Guarantor: BNP Paribas S.A. (Société Anonyme)
- Administrator: Itransact
- Life Company: Guardrisk
- Distributor: SIP Nordic South Africa
 - The financial adviser fee will not exceed 2.30% (including VAT) of your Initial Investment. (equivalent to 0.46% p.a.)
 - The Itransact administration fee will not exceed 1.15% (including VAT) of your Initial Investment. (equivalent to 0.23% p.a.)
 - The Guardrisk endowment fee will not exceed 0.50% (not subject to VAT) of your Initial Investment. (equivalent to 0.10% p.a.)
 - The fees will be deducted upfront and paid to Itransact who will pay the relevant portions of the total fees to the parties mentioned above
 - A distribution fee not exceeding 1.00% (not subject to VAT) will be paid to SIP Nordic SA by the issuer
 - These fees have been included in the returns described in this brochure and any return will be based on the whole of your Initial Investment, before fees
- The gearing level is determined by the Issuer on the Trade Date and will not be less than 125%. If market conditions do not allow the minimum gearing level, the Initial Investment will be returned together with interest





Why Cliquet CPP4?

- Backed by the strength of **BNP Paribas**
- BNP Paribas Multi Asset Diversified 5 Index
 - Global Markets
 - Index resets annually, growth generated is locked-in and cannot be eroded in subsequent years
 - In the event of a negative year, the investor will not participate in the loss
 - No Currency Risk, as product is denominated in ZAR
- **Endowment**
 - Estate Planning
 - No Executorship Fees
 - Tax Efficient
 - GCT at preferential rate
 - Use of 2nd Life Assured, takes product to maturity
- **Pay-Off**
 - Greater of, minimum guaranteed floor **9% p.a. (7.92% net of 12% CGT)** or uncapped index growth x **165% indicative gearing** locks-in annually & pays out at maturity with;
- **100% Capital Protection**
- **100% Allocation of full investment value**

In closing



We are a specialist structured investment products distributor



We are singularly focused on structured investment products



Our products are easy to understand



We continually develop new products to meet market demand



Our service is local and personal



We build and foster professional relationships directly with Financial Advisers



We have developed a structured products online academy to upskill Financial Advisers



We offer 100 years of business development experience

FAQ

Q. Is there foreign currency exposure?

A. No. The product is ZAR denominated. The Pay-Off is calculated in ZAR.

Q. What is the Pay-Off profile at maturity?

A. Return of capital invested + the greater of minimum annual floor locked in, OR uncapped annual index growth x gearing locked in.

Q. Is the investment subject to Capital Gains Tax or Income Tax or both?

A. Capital Gains Tax at the preferential Life Assurance Company rate.

Q. Why is CGT the only tax levied?

A. The Pay-Off accrues to the investor at maturity, not before. Growth is capital in nature, there is no interest, rental, or investment income (dividends). Thus, CGT applies and is calculated at the preferential Life Company rate at maturity.

Q. Is the Pay-Off profile quoted gross or net of CGT?

A. Gross. (Refer editable cash flow tool for net illustration, available to participating Financial Advisors on request)

Q. Can the investor do a full surrender within the 5-year term?

A. Yes, at market value.

[https://sipnordic.co.za/
cliquet-accreditation/](https://sipnordic.co.za/cliquet-accreditation/)

FAQ

Q. Am I able to add a joint life assured on the investment?

A. Yes. If a Joint Life Assured is nominated, (beneficiary of Ownership), the investment can continue through to maturity.

Q. What happens to the Investment in the event of death, if there is no joint life assured?

A. Death value is calculated at prevailing market value. Policy ceases.

Q. Is there 100% allocation of investment principal?

A. Yes.

Q. Can the maturity date be extended or tax deferred?

A. No

Q. Can an Investor cede their policy as security?

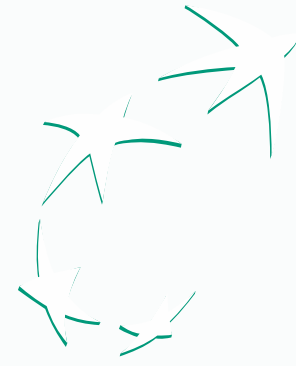
A. You may use the Policy as security with another person or financial institution during its 5 (five) year term. See ENDOWMENT POLICY TERMS AND CONDITIONS, Para 5.14, (Underwritten by Guardrisk Life Limited FSP 76 Reg 1999/013922/06)

https://www.itransact.co.za/Library/ITRANSACT%20MEDIA/PRODUCT%20TC%20AND%20RULES/endl_gr_tc.pdf

Q. What is the Total Investment Cost (TIC) including VAT per annum, on the Itransact platform?

A. 0.79% p.a. (Made up of Advisory (2.30%) + Itransact (1.15%) + Guardrisk (0.50%) = 3.95% divided by 5 {years}

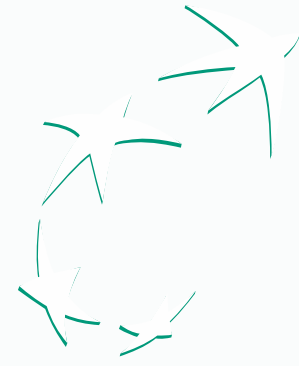
<https://sipnordic.co.za/cliquet-accreditation/>



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- Structured Investment Products South Africa (Pty) Ltd T/A SIP Nordic South Africa is a registered & licensed FSP service provider (FSP number 51065). They are responsible for the exclusive marketing of the products via a network of accredited and licensed Financial Advisers. Contact info@sipnordic.co.za.