Investec

Term Sheet

Volatility Target on Basket of Funds - 5 Year Note – Private Placement

Product Details

This product is linked to a structured leveraged return based on the performance of an equal weighted basket of six mutual funds:

BlackRock Global Funds - Continental European Flexible Fund
Morgan Stanley Investment Funds - Global Opportunity Fund
Fidelity Global Technology
MS INVF Asia Opportunity A
GAM Star PLC - Credit Opportunities EUR
Carnegie Strategifond

Capital is at risk. If the Final Value (as calculated in accordance with the below) is below the Initial Value, investors will lose their entire investment in the Notes.

Key Terms

Capitalise terms used but not otherwise defined here have the meaning give to them in the Offering Memorandum.

Type	Medium Term Note
Issuer	Investec Bank plc
Underlying Basket	1. BlackRock Global Funds – Continental European Flexible Fund (Bloomberg ticker: MIGOEAE LX Equity) 2. Morgan Stanley Investment Funds – Global Opportunity Fund (Bloomberg ticker: MSGOPPA LX Equity) 3. Fidelity Global Technology (Bloomberg ticker: FIDFTEI LX Equity) 4. MS INVF Asia Opportunity A (Bloomberg ticker: MSAIOPA LX Equity) 5. GAM Star PLC - Credit Opportunities EUR (Bloomberg ticker: GAMSCOE ID Equity) 6. Carnegie Strategifond (Bloomberg ticker: HQSTRAA SS Equity)
Currency	SEK
Term	5 Years
Trade Date	18 September 2018
Strike Date	20 September 2018
Issue Date	04 October 2018
Final Valuation Date	20 September 2023
Maturity Date	04 October 2023
Initial Value (IV)	The Structured Return, on the Initial Valuation Date
Final Value (FV)	Means the arithmetic average of Structured Return on each of the following dates:

	20 September 2022 20 October 2022 21 November 2022 20 December 2022 20 January 2023 20 February 2023 20 March 2023 20 April 2023 22 May 2023 20 June 2023 20 July 2023 21 August 2023 20 September 2023
ISIN	XS1844215001

Product Risks

- Capital is at risk and is dependent on the performance of the Structured Return.
- The holder of the note is exposed to credit risk of the Issuer.
- We will provide bid and offer prices for the notes under normal market conditions (subject to internal policy and applicable laws and regulations), however liquidity could be limited.
- The secondary market price of the notes will depend on a number of factors, including (but not limited to) volatility, the value of the Fund, interest rates, dividends, time remaining to maturity and the creditworthiness of the Issuer. Consequently the price of the notes before maturity could be lower than both the price paid and amount that the holder could receive on maturity of the note.
- Tax rules and benefit from them may change at any time.

Name of Structure 5 Year Note

Generic Structure Upside Notes with Capital at Risk

Issuer Investec Bank plc

Dealer Investec Bank plc

Currency SEK

Underlying Details

	Underlying	Bloomberg Code	Weight
Fund 1	BlackRock Global Funds – Continental European Flexible Fund	MIGOEAE LX Equity	1/6
Fund 2	Morgan Stanley Investment Funds – Global Opportunity Fund	MSGOPPA LX Equity	1/6
Fund3	Fidelity Global Technology	FIDFTEI LX Equity	1/6
Fund 4	MS INVF Asia Opportunity A	MSAIOPA LX Equity	1/6
Fund 5	GAM Star PLC - Credit Opportunities EUR	GAMSCOE ID Equity	1/6
Fund 6	Carnegie Strategifond	HQSTRAA SS Equity	1/6

Notional SEK TBD

Specified Denominations SEK 10,000

Minimum Subscription SEK 10,000

Issue Price (per Note) 14% (including a distribution fee of up to 1% p.a. of Notional Amount)

Term 5 years

Trade Date 18 September 2018

Issue Date 04 October 2018

Strike Date 20 September 2018

Initial Value (IV) The Structured Return, on the Initial Valuation Date

Final Valuation Date 20 September 2023

Maturity Date 04 October 2023

Final Averaging Dates	20 September 2022 20 October 2022 21 November 2022 20 December 2022 20 January 2023 20 February 2023 20 March 2023 20 April 2023 22 May 2023 20 June 2023 20 July 2023 21 August 2023 20 September 2023
Final Value (FV)	The arithmetic average of the Structured Return on across all Final Averaging Dates, as determined by the Calculation Agent.
Return Threshold	100% of the Initial Value.
Gearing	100%
Final Redemption Amount	The Final Redemption Amount for each Note will be determined accordingly: Specified Denomination x Gearing x Max[0%, FV/IV -1]

Structured Return

Strategy Calculation Date (k)	Means, the first 21 Scheduled Fund Valuation Dates that are immediately preceding the Initial Valuation Date and each Scheduled Fund Valuation Date from, and including the Initial Valuation Date to and including the Final Valuation Date. The Initial Valuation Date shall be denoted “0” thus the first Strategy Calculation Date is denoted “-21” respectively
Structured Return (SR (k))	Means, in respect of a Strategy Calculation Date, k, a number determined according to the following recursive schedule: (i) If k = 0 then SR(0) = 100 (ii) If k>0 then SR(k) = SR(k-1) x [1+DL(k-1) x $*\sum_{i=1}^{i=6} w_i * r_{ER}(k)_i - SD(k)$]

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Dynamic Leverage (DL(k)) DL(k) = MIN[125% , VT / RV(k-1)]

Weight (w) 1 / 6 for each fund (i = 1 to 6)

Volatilty Target (VT) 11.00%

Realised Volatility

$$RV(k) = \sqrt{\frac{252}{n-1}\left[\sum_{i=0}^{n-1}\left(\ln\left(1+\sum_{j=1}^{6} w_i * r_{TR}(k-i)_j\right)\right)^2 - \frac{1}{n}\left(\sum_{i=0}^{n-1}\ln\left(1+\sum_{j=1}^{6} w_i * r_{TR}(k-i)_j\right)\right)^2\right]}$$

n Means the volatility window which corresponds to the number of days used to calculate the Realised Volatility and is equal to 20.

Excess Return (r_{TR} (k))

For fund 1 to 6 $$r_{ER}(k)_i = r_{TR}\,(k)_i - r_C(k)$$

Total Return ($r_{TR}\ (k)$)

For fund 6 $$r_{TR}(k)_i = \frac{S(k)_i}{S(k-1)_i} - 1$$

For fund 1, 3 and 5 $$r_{TR}(k)_i = \frac{S(k)_i * FX1(k)_i}{S(k-1)_i * FX\ \ (k-1)_i} - 1$$

For Fund 2 and 4 $$r_{TR}(k)_i = \frac{S(k)_i * FX2(k)_i}{S(k-1)_i * FX2(k-1)_i} - 1$$

Relevant Price (S(k))

Means, in respect of a Fund Interest and a Strategy Calculation Date $k \geq -21$, the net asset value per unit in the Fund in respect of such Strategy Calculation Date, as calculated and published (or, if not published, as notified) by the relevant Fund (or its Fund Service Provider that generally determines such value), provided that if the relevant Strategy Calculation Date is a Disrupted Day (such Strategy Calculation Date, the "**Initial Disrupted Day**"), the Relevant Price in respect of such Initial Disrupted Day for each Fund Interest affected by the occurrence of such Disrupted Day shall be determined on the first succeeding Strategy Calculation Date that is not a Disrupted Day in respect of such Fund Interest, unless no day that is not a Disrupted Day has occurred on or prior to the eighth Strategy Calculation Date next following the Initial Disrupted Day. In that case (i) the Relevant Price for each applicable Fund Interest in respect of such Initial Disrupted Day shall be calculated on such eighth Strategy Calculation Date next following the Initial Disrupted Day, notwithstanding that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine such Relevant Price on such date in good faith and in a commercially reasonable manner taking into account such factors as it, in its absolute discretion, deems relevant.

Synthetic Dividend ($(SD(k))$)

SD(k) = D x DCF(k-1,k)

Overnight Rate Day Count Fraction (DCF (k-1, k)

Means, in respect of a Strategy Calculation Date, the quotient of (i) the number of calendar days falling in the period commencing on, but excluding, the immediately preceding Strategy Calculation Date and ending on, and including, such Strategy Calculation Date k, and (ii) 360

Cash Return ($(r_c(k))$

$r_C(k)$ = Rate(k-1) x DCF(k-1,k)

Overnight Rate Day Count Fraction (DCF (k-1, k)

Means, in respect of a Strategy Calculation Date, the quotient of (i) the number of calendar days falling in the period commencing on, but excluding, the immediately preceding Strategy Calculation Date and ending on, and including, such Strategy Calculation Date k, and (ii) 360

Overnight Rate (Rate (k-1))

Means with respect of an Strategy Calculation Date the Stockholm Interbank Offered Rate 3 Months, as published on Bloomberg page STIB3M Index (or any replacement Bloomberg page which displays that rate) around 11:00 a.m. (London time) on that day.
If the Index Calculation Agent cannot determine the Reference Interest Rate as aforementioned because the Screen Page is not published, or if the Index Calculation Agent cannot make such determination for any other reason, then the Reference Interest Rate shall be the arithmetic mean (rounded, if necessary, to the nearest one thousandth of a percentage point, 0.0005 being rounded upwards) determined by the Index Calculation Agent of the interest rates which four reference banks selected by the Calculation Agent quote to prime banks on such day for deposits in SEK for a period of 3 months. Should two or more of the Reference Banks provide the relevant quotation, the arithmetic mean shall be calculated as described above on the basis of the quotations supplied. If less than two Reference Banks provide a quotation, then the Reference Interest Rate shall be determined by the Calculation Agent in its reasonable discretion. Should the determination of the Reference Interest Rate be terminated permanently, the Calculation Agent will determine in its reasonable discretion another reference interest rate as the Reference Interest Rate and give notification of such other reference interest rate.

Dividend (D)	1.50%
FX1(k)	Means, for fund 1, 3 and 5, the EURSEK Exchange Rate as published on Bloomberg, on the BFIX page at 16:00 London (GBT)
FX2(k)	Means, for fund 2 and 4, the USDSEK Exchange Rate as published on Bloomberg, on the BFIX page at 16:00 London (GBT)
Scheduled Fund Valuation Date	Means, with respect to any Fund Interest, a date as of which the related Reference Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Exchange Listing (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests), to determine the value of such Fund Interest or, if the related Reference Fund only reports its aggregate net asset value, the date as of which such Reference Fund is scheduled to determine its aggregate net asset value.
Exchange Listing	TBD
Fund Interest	Means an interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such.

Additional Information

Delivery Mechanism	The Impala Bonds Programme Offering Memorandum dated 03 March 2017 (as supplemented from time to time), including the Registration Document referenced therein (the "**Offering Memorandum**")
Calculation Agent	Investec Bank plc - London
Extraordinary Fund Events	Applicable
Consequence of Extraordinary Fund Events	Calculation Agent Adjustment, Substitution or Termination, as determined by the Calculation Agent.
Averaging Date Market Disruption	Modified Postponement
Governing Law	English Law
Additional Disruption Events	Change in Law, Hedging Disruption and Increased Cost of Hedging
Listing	Application will be made to have the Notes listed on the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market, however the Issuer makes no representations as to the likelihood of success of such application.
Settlement Method	Cash
Note Clearing System	Euroclear
ISIN Code	XS1844215001

Documentation:

These indicative terms and conditions must be read in conjunction with the Offering Memorandum, together with the corresponding Pricing Supplement, any distribution agreement or other documentation relevant to the issue of this Note and the £2,000,000,000 Impala Bonds Programme. **The Offering Memorandum constitutes listing particulars for the purposes of listing on the Irish Stock Exchange's Official List and trading on its Global Exchange Market and does not constitute a prospectus for the purposes of (i) the Prospectus Directive (Directive 2003/71/EC) or (ii) Part VI of the Financial Services and Markets Act 2000 (as amended).**

Disclaimer:

THIS DOCUMENT IS FOR QUALIFIED INVESTORS ONLY. It is not to be viewed by or used with retail clients. Investors should note that securities to be admitted to the Irish Stock Exchange's Official List and trading on its Global Exchange Market will, because of their nature, normally be bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.

This indicative term sheet is for information purposes only and does not constitute an offer or commitment, a solicitation of an offer or commitment, or any advice or recommendation, to conclude any transaction (whether on the indicative term sheet or otherwise). This material does not purport to contain all of the information that an interested party may desire. Before entering into any transaction, you should ensure that you fully understand the potential risks and rewards of the transaction and that you independently determine that the transaction is appropriate for you given your objectives, experience, financial and operational resources, and any relevant circumstances. You should consider consulting with such advisers as you deem necessary to assist you in making your determinations. We are acting solely as an arm's length commercial counterparty and not as your financial adviser or fiduciary in any transaction, unless you have otherwise agreed to do so in writing with us.

All materials herein are for discussion purposes only and are not intended to set forth the definitive terms of any transaction. The terms of the proposed transaction described herein are consequently subject to change without notice. This Term Sheet contains an indicative summary of, and is subject to, the full legally binding terms and conditions of the Notes, which are set out more fully in the Pricing Supplement dated on or around the issue date of the Notes and the Offering Memorandum of Investec Bank plc in relation to its £2,000,000,000 Impala Bonds Programme, dated 03 March 2017, as supplemented from time to time (the "**Offering Memorandum**"). A copy of the executed Pricing Supplement and the Offering Memorandum are available upon request. This communication is furnished at the request of the recipient for the exclusive purpose of identifying the security or other instrument referred to herein. It is furnished for your private information with the express understanding, which the recipient acknowledges, that it does not constitute an offer to sell or solicitation to purchase any securities and neither Investec Bank plc nor any of its affiliates are soliciting any action based on it. Certain transactions may give rise to substantial risks and are not suitable for all investors. You are advised to make an independent review and reach your own conclusions regarding the legal, tax and accounting treatment regarding the purchase of the securities set out herein as it relates to your asset, liability or other risk management objectives and risk tolerance. Nothing in this document constitutes investment, legal, tax or accounting advice. This transaction does not constitute the execution of an order on your behalf as defined by any legislation, regulation and/or rule implementing the Markets in Financial Instruments Directive (2004/39/EC) (MiFID). This document and its contents are proprietary information and are strictly private and confidential.
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The product described herein does not constitute participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("CISA"). Therefore, such product is not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority FINMA ("FINMA") and investors in the product will not benefit from protection under the CISA or supervision by FINMA

Selling Restrictions

These Notes must not be offered in any manner that would permit or constitute an offer to the public in an EEA member state pursuant to Directive 2003/71/EC (as amended) (the "Prospectus Directive"), unless such offer to the public is made pursuant to and in compliance with one or more of the exemptions set out in Article 3(2) of the Prospectus Directive (other than an offer of Notes addressed to fewer than 150 natural or legal persons per EEA member state pursuant to Article 3(2)(b), which shall not be permitted).

The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

If sold in Switzerland, this product is addressed exclusively to Qualified Investors as defined in Article 10 Para. 3 to 4 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("**CISA**").

If sold in the Bailiwick of Guernsey, this product is addressed exclusively to persons (i) licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the "**POI Law**") and/or (ii) under the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, or the Regulation of Fiduciaries, Administration Businesses and Company Directors, Etc, (Bailiwick of Guernsey) Law, 2000 (as relevant).

If sold in the Isle of Man, this product is addressed exclusively to (i) persons who hold a license issued by Isle of Man Financial Supervision Committee ("**FSC**") under Section 7 of the Isle of Man Financial Services Act 2008 ("**FSA 2008**") to carry on a regulated activity, (ii) persons who falls within the exclusion in 2(r) contained in Schedule 1 to the Isle of Man Regulated Activities Order 2011 (as amended) (the "**Order**"), or (iii) persons whose ordinary business activities involve him in acquiring, holding, managing or disposing of shares or debentures (as principal or agent), for the purposes of his business.

The Investor agrees to observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver the Notes and it may not, directly or indirectly, offer, sell, resell or redeliver any Notes except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.