

## Bespoke Structured Solutions

100% USD Capital Protected

100% Participation in growth of US Equities and Treasuries

Portfolio Alpha underpin with look-back mechanism Bespoke

Trade on Request only 2025

## BNP Paribas Best of US Equities or Treasuries Note

This investment is a five-year, 100% capital protected investment, linked to US Equities and 10-year US Treasuries ("The Index").

At maturity, the investment allocates to the best performing basket between:

- 70% US Equities (S&P500)/30% 10-Year US Treasuries, or
- 30% US Equities (S&P500)/70% 10-Year US Treasuries.

This is achieved with an effective look-back mechanism, which provides a crucial underpin for obtaining the best mix at the final observation date of the investment. Whatever weighting will provide the best overall performance of the index, will be the determining factor of the performance of the investment.

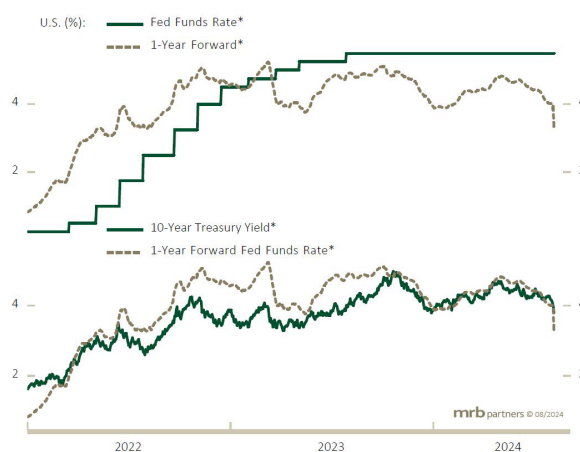
This investment is suitable for clients who require the diversification and risk management benefits of a global multi-asset portfolio with the added benefit of a 100% USD capital guarantee to protect the investor in the event of poor market performance.

### WHY CHOOSE THIS INVESTMENT?

The investor will benefit from the advantage obtained in the lookback mechanism:

- In the current market context, interest rates remain high but is starting to decrease while Equity volatility is back to pre-Covid levels, so certainty of what asset allocation to implement for the next few years is low.
- Both Equities and Bonds are expected to benefit from a decline in interest rates, in the medium term.
- The look-back mechanism allows maximum exposure to the most reactive asset class in the case of rate cuts.
- Highly efficient allocation, while providing leverage on the overall best performing index mix at the end of the term.

### Lots of Fed Rate Cuts expected



\* Source: Bloomberg

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Major Equity indices have experienced increased volatility since early August 2024, but recent post election euphoria is driving US markets beyond reasonable valuations. Three major factors driving the recent movements:

- Factor 1:** Expectations for political policy shifts on Tariffs to support US Equities. Deregulation will favour Tech, Finance and Energy sectors, but investors started to increasingly question whether the aggressive spending to build-out AI infrastructure would generate adequate returns on investment.
- Factor 2:** There has been a shift in the US macro narrative from perceptions of a Fed that was able to cut policy rates due to the easing of inflation despite durable growth, to a central bank that is behind the economic curve and must cease to cut rates to prevent a resurgence in inflation.
- Factor 3:** Yen carry trades are unwinding due to a more hawkish (or less timid) than expected BoJ, who are expected to raise their interest rates further in the coming months. This may exacerbate volatility in financial markets in the near run but should have a limited impact on the global economy.

*This investment is deemed to be a low-risk investment due to its 100% USD capital protection.*



#### Duration

The term of the investment is 5 years.

#### Risk Profile

This investment is deemed to be a low-risk investment due to its 100% USD capital protection. The reference Index used is also of a lower risk relative to a traditional long-only multi-asset balanced portfolio given the look-back mechanism that provides the most optimal asset allocation with the benefit of hindsight.

#### Capital Protection and Default Risk

BNP Paribas Issuance B.V. (S&P A+) is the issuer of the note and the provider of the capital protection in USD. Should the guarantor default on this obligation, the investor stands to lose most if not all their investment in the note. It is important to note that no guarantees are provided by Momentum Securities, Momentum Wealth or Momentum Group Limited,

#### Currency risk

(Investment in the note is quoted in USD)

This investment requires you to utilise your individual foreign investment allowance or the Asset Swap capacity of Momentum Group Limited.

#### Minimum Investment Amounts

\$250 000 per individual investor.

#### Tax

All returns derived from the participation in the BNP Best of US Equities or Treasuries Note will be reported as capital in nature.

Please consult your tax practitioner for advice on the appropriate tax consequences of investing into this investment.

#### Fees

For this bespoke structure the following fees may be applicable:

Advisory Fees	0,69% pa equivalent to 3,45% for the 5-year period deducted once-off upfront
Momentum Securities Distribution Fee	0,35% excl VAT per annum equivalent to 1,75% excl VAT over the period

*All of the above fees are included in the pricing of the note, including the advice fee.*

Example Return Scenarios

The examples below illustrate how the investment would work based on an amount of \$1 000 000.00. These are for illustrative purposes only and based on the assumption that no early withdrawals are made from the investor, Upon maturity of the investment, the investor receives:

- 100% of invested capital;
- 100% participation in the positive return of the BNP Paribas Best of US Equities or Treasuries Note (with Highest Lookback Index value applied).

Investment amount		After 5 years		
USD investment	Highest Lookback Multi-Asset Portfolio Performance (vs Start)	Participation rate	Best Performing Asset Class	USD Pre-tax End Value
USD 1 000 000.00	-15,00%	100%	US Treasuries	USD 1 000 000,00
USD 1 000 000.00	5,00%	100%	US Treasuries	USD 1 050 000,00
USD 1 000 000.00	15,00%	100%	US Equities	USD 1 150 000,00
USD 1 000 000.00	18,00%	100%	US Equities	USD 1 180 000,00
USD 1 000 000.00	50,00%	100%	US Equities	USD 1 500 000,00

Acceptance of proposal

Having read this investment proposal, I acknowledge acceptance thereof and agree to engage with the Portfolio Manager as a representative of Momentum Securities upon terms reflected therein.

Client name and surname

Authorised signature

Date

**Disclaimer:**  
The value of your investment may go down as well as up and past performance is not necessarily a guide to the future.

**Risk Disclosure:** Structure of Service Provider under the FAIS Act. Momentum Securities operates under its Investment Services License granted by the JSE The Nature of a Discretionary Mandate. Should you accept this proposal, you will be granting us discretion over the management of your portfolio. This discretion is however limited by the terms of this proposal, or any amendments made thereto in the future. Should you therefore have any specific need or request that may change the nature of your portfolio, it will require a revision of your needs analysis and proposal by your portfolio manager No ad-hoc requests will be considered outside of this framework.

**Portfolio Strategy and Investment Risks:** Whilst we have created this proposal based on your financial needs and risk profile, in conjunction with our view of the market both now and in the future, there is no guarantee that the outcomes of the portfolio will meet your requirements. It is for this reason that we recommend an ongoing relationship with your portfolio manager to ensure the efficient management of your portfolio.

**Implementation:** Implementation of this proposal will be affected over a period, and may not be immediate, dependent on various factors. Momentum cannot be held liable for any delay in implementation caused by external factors that are not in our direct control, or any delays caused by third parties, or by you.

**Information provided:** This proposal has been based on your personal information, and any inaccuracy or misinterpretation of this information may have a material impact on the effectiveness of this proposal. It is therefore important for you to verify all personal information and inform us timeously of any change in your personal circumstances, financial situation, or ongoing financial needs.

There are several extraneous factors which may influence your portfolio including economic, political and regulatory influence, Past performance of any investment is not of future investment returns. The investment values can rise as well as fall, and there is no assurance, that any one or more of the investments will generate positive returns. The deduction of charges and expenses may result in an investor not getting back the amount initially invested, There is no guarantee that the tax treatment of any investment in your portfolio will remain as it currently is. Any change in tax treatment may lead to a change in the performance of any investment.