

# Investec Property+



Investec Property+ are geared financial instruments listed by Investec Bank Limited ('Investec') that are traded on the Equity Market of the JSE ('exchange') and can be purchased through any stockbroker.



## Key Features

- Long-term leveraged exposure to the listed property sector
- Investors pay a fraction of the underlying security price upfront and receive the full benefit of distributions and share price growth
- Investors make a final payment and acquire the underlying security
- No margin calls or further payment obligations
- Liquidity is provided by Investec
- Distributions can reduce the final payment to R0.01
- Potential losses are limited to the initial investment
- There are potential tax advantages
- The security is issued by Investec and listed on the JSE

## What are Investec Property+?

Investec Property+ are European call warrants issued by Investec, under its Warrant and Note Programme. They give you the right - but not the obligation - to buy, in two steps, an underlying security from Investec at a floating strike price on the expiry date.

Step 1

You make an initial payment to buy the Investec Property+. On the date of issue, the price of the Investec Property+ will be about 55% of the price of the underlying security.

Step 2

You may, but are not obliged to, make a final payment on the expiry date to acquire the underlying security. This is a floating amount and varies during the term of the Investec Property+. This is also referred to as the exercise price.

## Your choices at maturity

On maturity of the investment, you may:



make the final payment (exercise price) and receive the underlying securities.



do nothing and let Investec Property+ expire.

## Exercise price calculation

$$EP = PEP \times \left( 1 + \frac{\text{Rate}}{365} \right) - D$$

The exercise price is a floating amount that varies throughout the term of the Investec Property+. It is initially set on the issue date but recalculates on a daily basis in accordance with the above formula.

EP = the exercise price on a given day  
 PEP = the exercise price on the previous day  
 D = the sum of all distributions which have an ex-distribution date on that day  
 Rate = the base rate plus the margin, expressed as a decimal



## Risks

Since Investec Property+ provides geared exposure to the underlying securities, the risks of investing in Investec Property+ are greater than those of investing a similar amount directly in the underlying securities.

### Taxation considerations

Investec does not provide taxation advice or other financial advice. As the profile of each potential investor is different, each should seek their own independent taxation and other financial advice.

[www.investec.co.za/PropertyPlus](http://www.investec.co.za/PropertyPlus)

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