



Investec Property Fund and Standard Bank issue first sustainability-linked bond in the SA REIT space

TRANSACTION OVERVIEW

Issuer	Investec Property Fund
Standard Bank's Role	Sole Lead Arranger and Sustainability Agent
Bond Code	IPFG01
Issue size	ZAR800 million
Tenor	3 years
IPF Long-Term Rating	AA-(ZA)
Instrument	Floating Rate Note
Pricing as at Settlement Date	3mJ + 190bps
Maturity Date	22 June 2024
Pricing Ratchet Benefit	-10bps
Price Ratchet Date	30 June 2022



April 2021
ZAR800 million IPFG01

First SA REIT to issue sustainability-linked note

Sole Lead Arranger and
Sustainability Agent



TRANSACTION IMPACT

- The sustainability-linked bond brings about a higher level of sustainability through the need to reach the pre-agreed targets, and demonstrates the Fund's commitment to ESG principles and its efforts to promote good corporate citizenship.
- The target objectives are to procure additional renewable energy and increase the number of green building certifications.
- IPF were able to access a deeper pool of liquidity, evident in the election to upsize the bond from ZAR500 million to ZAR800 million, driven by investor demand for this unique offering.
- The added incentive of a quantifiable future pricing benefit for the IPF, while investors are able to encourage positive forward looking sustainable corporate behaviour, made this a mutually-beneficial transaction for all parties.

Alignment with UN SDGs



TRANSACTION HIGHLIGHTS

- On 18 April 2021 Investec Property Fund (IPF), with Standard Bank acting as the Sole Arranger and Sustainability Agent, executed the first sustainability-linked bond in the SA REIT space.
- IPF raised a ZAR800 million, 3-year, unsecured note priced at 3mJ + 190bps, with the bond issued through a private placement which was widely subscribed from multiple investors.
- The issuance of this unique bond provided an opportunity to raise capital at a competitive coupon rate and to further unencumber the fund's balance sheet.
- The proceeds from the bond will be used to refinance debt maturities and will have no impact on IPF's loan to value ratio.

It was great working with the Standard Bank team on this innovative offering. The team had great market insight and was dynamic with respect to aligning the targets of IPF and the broader investor market.'

– **Jenna Sprenger**, Investec Property Fund Balance Sheet & Treasury Head.

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